

Community Housing Notification

Policies & Procedures No. 23-01 (Revised)
(CHN 15-03 is revoked)
January 1, 2023

The Requirements, Recommendations and Guidelines in this communiqué are to be implemented by the housing providers administered under the legislated programs/Operating Agreement identified below:

- ✓ Providers under *Housing Services Act, 2011*
- Providers under a Federal Operating Agreement
- ✓ Requirement
- ✓ Guidelines
- Information Only

Subject

Maximum Household Income and Asset Limits for Rent-Geared-to-Income (RGI) Households

Legislative Reference: Ontario Regulation 367/11 s.32.3 to 32.5, and Ontario Regulation 370/11 s. 2 schedule 2.

Local Regulation Reference: City of Greater Sudbury Community Housing Rent-Geared-to-Income Calculation Guide.

Purpose/Overview

The purpose of this policy is to inform all community housing providers of the local rule, background and compliance standard under *Housing Services Act, 2011* (HSA) and associated regulations related to the maximum household income and asset limits for RGI applicants and households.

Background

O. Reg. 367/11 s. 32.4, requires Service Managers to establish a local eligibility rule that sets a maximum income limit that an applicant household cannot exceed in order to be eligible for RGI assistance in a community housing unit within the service area.

In addition, O. Reg. 367/11 s. 32.5 requires Service Managers to implement a local rule that sets a maximum asset limit for households to be eligible for RGI assistance. The local rule must indicate that the value of the assets of a household not exceed a specified maximum value. It must provide that the value of the assets of a household is the total value of the assets of the members of the household other than assets that are excluded under the local eligibility rule.

Local Rule

Maximum Household Income Limits

The Housing Registry will calculate the Adjusted Family Net Income (AFNI) for an applicant household, determining if they meet the household income limit requirements, at the time of application and for the duration that the household remains on the centralized wait list. The housing provider will verify the AFNI only at the time of offer to ensure eligibility for RGI assistance.

Effective January 1, 2023, the following maximum household income limits as per O. Reg. 370/11, s. 2 schedule 2, will be applied to applicant households applying for RGI and for households currently on the centralized wait list:

Area	Bachelor unit	1-bedroom unit	2-bedroom unit	3-bedroom unit	4-bedroom unit or larger
City of Greater Sudbury (whole service area)	\$34,000	\$44,000	\$52,000	\$59,500	\$74,500

The income of members who are full-time attendance at a recognized educational institution is excluded in determining the household AFNI.

The net income of each applicant household member is determined using the following steps:

1. Take the net income amount for the household member indicated on the latest Notice of Assessment or Proof of Income Statement (Line 23600) issued under the *Income Tax Act* (Canada) for the household member's most recent taxation year that ended before the determination of eligibility is being made or, if no Notice of Assessment has been issued for that taxation year, the amount that would appear on the net income line had the Notice of Assessment been issued.
2. Subtract from the amount referred to in Step #1 the total amount of all payments from a Registered Disability Savings Plan (RDSP) received by the household member in that taxation year.
3. Add to the amount determined in Step # 2 the total amount of all payments from a RDSP repaid by the household member in that taxation year.

4. Subtract from the amount determined in Step #3 any other payments that are listed as excluded income in the City of Greater Sudbury Community Housing Rent-Geared-to-Income Calculation Guide.

Households will have their income reviewed annually and their rent is adjusted in accordance with the RGI program rules.

Maximum Household Asset Limit

The Housing Registry will assess the value of assets for a household at the initial determination of eligibility. The housing provider will determine eligibility upon offer of accommodation, and continued eligibility during annual reviews, and in-year reviews when an applicant joins an existing household.

Effective January 1, 2023, the maximum household asset limit for households applying for and/or receiving RGI assistance is **\$150,000** for all household sizes.

For the purposes of determining the value of assets for a household, income-producing assets are investments, which generate interest, dividends, or other income. The income generated from these assets or investments over the previous year is included in the household AFNI for the purposes of RGI calculations.

Excluded Assets

For the purposes of determining the asset value of the household, the following are to be excluded from the value of assets for a household as set out in O. Reg. 367/11 s. 32.5:

1. The value of the interest of a member of the household in a single motor vehicle that is not used; primarily for the operation of a business by a member of the household (not in any other vehicle the member has an interest in);
2. The value of tools of a trade that are essential to the work of a member of the household as an employee;
3. The value of assets of a member of the household that are necessary to the operation of a business that the member operates or has an interest in (up to a maximum of \$20,000 for that member);
4. The value of a prepaid funeral;
5. The cash surrender value of a life insurance policy (up to a maximum of \$100,000 for that household);
6. The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services;
7. If a member of the household has received a payment under the Ministry of Community and Social Services Act for the successful participation in a program of activities that assists the person with the successful completion of a high school diploma, the development of employment-related skills and the further development of the person's parenting skills, the value of any portion of that payment that, within a time that is reasonable in the opinion of the service manager, will be used for the member's post-secondary education.

8. The value of funds held in a Registered Education Savings Plan, as defined in section 146.1 of the *Income Tax Act* (Canada), for a child of a member of the household;
9. The value of the clothing, jewelry and other personal effects of a member of the household;
10. The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business;
11. The value of the beneficial interest in a trust of a member of the household who has a disability if the capital of the trust was derived from an inheritance or from the proceeds of a life insurance policy (up to a maximum of \$100,000 for that member);
12. The value of funds held in a Registered Disability Savings Plan, as defined in section 146.4 of the *Income Tax Act* (Canada), if the beneficiary of the plan is a member of the household;
13. The value of funds held in an account of a member of the household in conjunction with an initiative under which the Service Manager or an entity approved by the Service Manager commits to contribute funds towards the member's savings goals; and
14. The value of funds held by a member of the household in a registered retirement savings plan, as defined in section 146 of the *Income Tax Act* (Canada), or in a registered retirement income fund, as defined in section 146.3 of that Act. O. Reg. 242/22, s. 7.

Note: Households who are in receipt of social assistance (Ontario Works and Ontario Disability Support Program) are exempt from local asset limit rules. This exemption only applies in cases where all household members are part of the benefit unit.

Existing RGI Households

As of January 1, 2023, existing RGI households with assets exceeding the asset limit will cease to be eligible for RGI assistance at the time of the annual review or when an applicant joins an existing household. The housing provider will issue a Notice of Decision letter explaining the following:

- The reason why the household ceases to be eligible
- The new market rent/housing charge amount
- The effective date of the increase will be ninety (90) days after the end of the month that the notice is issued
- The notice must also provide the household an opportunity to request an internal review of the decision

Should the household's asset amount decrease below the asset limit prior to the end of ninety (90) day period, the RGI assistance will be maintained.

If an existing RGI household should acquire non-excluded assets, the household must, within thirty (30) calendar days, advise the Housing Provider of the acquisition of assets.

The City of Greater Sudbury, Housing Services, may exempt households under extenuating circumstances from the local income and asset limits (e.g., survivors of domestic violence/human trafficking).

Please refer to the City of Greater Sudbury Community Housing Rent-Geared-to-Income Calculation Guide “Section 7-Income and Assets Verification” for the process to confirm the income and asset value for a household

Action Required

The Housing Registry will assess initial eligibility for RGI assistance at the request of the applicant household for the duration they remain on the centralized wait list. Housing providers will continue to ensure continued eligibility of households in receipt of RGI assistance at initial move-in, annual reviews and in-year reviews. **Before an offer of accommodation is made to an applicant household, Housing Providers need to confirm that the household’s income and assets are below the prescribed limits listed above.**

Housing providers are required to implement this regulation effective **January 1, 2023 for new RGI households. For existing RGI households, this asset limit regulation will be implemented at the household’s next annual review.**

Housing Providers are required to ensure a copy of this Community Housing Notification is provided to all members of the Board of Directors.

Should you have any questions, please contact your Program Administrator.



Cindi Briscoe
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(Disponible en français)