

Subject: Durham Rent Supplement

Directive Number: RGI 2024-03

Date: June 5, 2024

Purpose

Establish guidelines for the Durham Rent Supplement (DRS), including rules related to eligibility, DRS calculations, and selection of tenants for the benefit.

Background

The Durham Rent Supplement (DRS) is an alternate form of financial housing assistance under section 40 (3.1) of the Housing Services Act (HSA) and section 20.1(b) and Schedule 4.2 of Ontario Regulation 367/11.

The DRS is a municipally funded benefit that is offered through rent supplement agreements with private landlords or Part VII.1 service agreements with non-profit community housing providers. Benefits may be administered directly by the Region of Durham, directly by community housing providers, or under shared delivery agreements with community partners.

The DRS reduces the rent that eligible tenants pay. DRS tenants pay roughly 30 per cent of adjusted family net income (AFNI) for shelter or no more than the maximum shelter allowance in the case of social assistance recipients.

The DRS is subject to the same eligibility rules as rent-geared-to-income (RGI), as set out in <u>Durham Community Housing Directives</u> and the <u>Durham Region</u> RGI Guide.

Tenants are normally selected for the DRS direct delivery through the Durham Access to Social Housing (DASH) wait list in order of application date, though the provisions of a shared delivery agreement, or as identified by a community housing provider under certain circumstances.

Decisions regarding the DRS may be appealed to the Regional Review Panel.

Durham Rent Supplement (DRS) Eligibility

The DRS is subject to the same eligibility rules for initial and continuing eligibility as RGI households, as set out in <u>Durham Community Housing Directives</u> and the <u>Durham Region RGI Guide</u>. This includes rules related to initial and continuing eligibility, including but not limited to:

- Basic rules of eligibility including age, ability to live independently, status in Canada and arrears.
- Asset limits as set out in RGI 2022-02 Asset Limits, or successor directive.
- Income limits as set out in <u>RGI 2024-01 Income Limits</u>, or successor directive (initial eligibility only).
- Occupancy standards as set out in <u>RGI 2019-02 Occupancy Standards and</u> Overhoused Households, or successor directive.
- Pursuit of income rules, as set out in <u>RGI 2020-09 Pursuit of Income</u>, or successor directive.
- Rules related to reporting information, failure to provide requested information, absence from unit, divestment of property, 24 months at market rent, and filing of income tax returns.

Eligibility Reviews

DRS eligibility must be reviewed annually according to the same rules and processes set out in RGI 2023-04 Annual RGI Reviews, or successor directive.

In-year reviews may be conducted according to the same rules and processes set out in RGI 2023-03 In-Year Reviews and Notice of Changes, or successor directive.

Calculation of Durham Rent Supplement (DRS)

The DRS is calculated in two ways:

- DRS is based on 30 per cent of adjusted family net income (AFNI) –
 excluding the net income of full-time students for DRS tenants who do not
 receive social assistance.
- DRS is determined per set rent scale amounts for DRS tenants receiving social assistance.

DRS Tenants Not Receiving Social Assistance

The DRS calculation for tenants not receiving social assistance is the same as the calculation for RGI as set out in the <u>Durham Region RGI Guide</u>.

DRS is based on 30 per cent of adjusted family net income (AFNI). AFNI is the annual net income of all members of a family unit – excluding the income of full-time students.

A person's annual net income can be determined using either:

- Tax-based net income as set out on Line 23600 of the most recent income tax assessment from the Canada Revenue Agency (CRA).
- Approximated net income if the most recent income tax assessment does not reasonably reflect the income that the household anticipates receiving over the following 12 months.

Tax-based net income should be used in determining AFNI whenever possible. Further information about how to determine AFNI is set out in RGI 2020-02 Adjusted Family Net Income, or successor directive, as well as the Durham Region RGI Guide.

In determining the amount of the DRS, AFNI is further adjusted for earnings exemptions. Family units with employment-related income are entitled to an earnings exemption of \$75 for a single person or \$150 for a couple or family.

The following example outlines how the DRS is calculated (in the same manner as RGI under the Durham RGI Guide):

Mike and Carol are a married couple. Both Mike and Carol are employed.

Mike Line 23600 \$9,790 Tax-based net income Carol Line 23600 \$9,890 Tax-based net income

AFNI is \$9,790 + 9,890 = \$19,680

Monthly AFNI is $$19,680 \div 12 = $1,640$

\$1,640 - \$150 (earnings exemption) x 30% = \$447 DRS

DRS Tenants Receiving Social Assistance

DRS for tenants receiving Ontario Works or ODSP is determined according to set rent scale amounts. Rent scales are based on the size of the benefit unit and the type of social assistance received. The scale rent is charged regardless of the amount of non-benefit income.

Social Assistance DRS Rent Scale Amounts

Benefit Unit Size	Ontario Works Rent Scale	ODSP Rent Scale
1 person	\$330	\$496
2 people	\$569	\$802
3 people	\$617	\$867
4 people	\$673	\$944
5 people	\$732	\$1,026
6 people or more	\$761	\$1,066

Rent scales for ODSP are updated in July of each year. The Housing Services Division will provide notice of these changes annually. DRS is updated at the next annual review or in year review.

Utility adjustments

DRS charges are adjusted for utilities in the same manner as RGI and as set out in Tables 4 to 8 of <u>Ontario Regulation 316/19</u> and the Durham Region RGI Guide.

Adjustments to DRS amounts due to high shelter costs

Where the total shelter costs – including DRS rent, utilities (e.g. electricity, water, appliances), heat, tenant insurance, parking, and co-op sector support – exceed the maximum Ontario Works or ODSP shelter allowance, the DRS may be adjusted below the set rent scale amount to ensure the social assistance shelter allowance covers all shelter costs. For example:

John is a single person living in a one-bedroom unit and receiving ODSP. He pays tenant insurance of \$35 per month and electricity costs (including heat) of \$175 per month in addition to his DRS.

\$556 = ODSP maximum shelter allowance

\$417 = DRS calculated amount

= \$462 scale – \$45 utility adjustment (Table 8 of O. Reg. 316/19)

\$627 = Total shelter costs

= \$417 (DRS) + \$35 (tenant insurance) + \$175 (electricity)

Total shelter costs (\$627) exceed ODSP maximum shelter allowance (\$556) by \$71 (\$627 - \$556).

DRS calculated amount is adjusted to \$417 - \$71 = \$346.

Selection of DRS Tenants

Eligible tenants will be selected for the DRS:

- From the Durham Access to Social Housing (DASH) wait list, according to their date of application.
- In accordance with a shared delivery agreement with a community partner (as applicable).
- As identified by the community housing provider in line with the same rules for immediate in-situ RGI, as set out in RGI 2020-14 In-situ RGI Applications, or successor directive.

Consideration may be given to local priorities or needs in extenuating circumstances.

Maximum and Minimum Rent

The maximum rent for DRS tenants is the market rent for the unit.

The minimum rent for DRS tenants is \$141. The minimum rent is indexed annually in July per the most recently published rent increase guideline under the Residential Tenancies Act.

Appeals and Reviews

DRS applicants or tenants may request a Regional Review of a decision of:

- Ineligibility for the DRS.
- DRS calculation.
- Size and type of unit for which they are eligible (occupancy standards).

More information about the Regional Review Process is set out in Durham Community Housing Directive RGI 2019-04 Regional Review Process, or successor directive.

Effective Date

This directive is effective July 1, 2024.

Legislative Authority

Housing Services Act, s. 40(3.1) Ontario Regulation 367/11, s. 20.1(b) and Schedule 4.2