

SERVICE MANAGER DIRECTIVE 23-02

Effective July 1, 2023, this Directive replaces Service Manager Directive 21-04, issued July 19, 2021

SUBJECT: LOCAL RENT-GEARED-TO-INCOME ELIGIBILITY RULES

The policies and procedures in this Directive are to be implemented by the Centralized Wait List (CWL) Administrator or by Housing Providers funded by the City of Ottawa for the programs checked below:

X	Public Housing Program
X	Rent Supplement Program (commercial)
X	Ontario Community Housing Assistance Program (OCHAP)
X	Community Sponsored Housing Program (CSHP)
X	Provincial Reformed (<i>Provincial, Federal/Provincial Non-Profit</i>)
X	Provincial Reformed (<i>Provincial Co-operative</i>)
	Limited Dividend Program
	Section 26/27
	Section 95 – Private
	Section 95 – Pre 86 MNP
	Pre-86 Urban Native Housing Program
	Post-85 Urban Native Housing Program
X	Part VII.1 Housing Projects under the Housing Services Act, 2011
X	Centralized Wait List (CWL) Administrator

If your program is not checked, this Directive does not apply to your project(s).

PURPOSE:

The purpose of this Directive is to communicate to Housing Providers and the CWL Administrator, the City of Ottawa Local Rent-Geared-to-Income Eligibility Rules effective July 1, 2023. This Directive replaces Directive 21-04 Revised Local Rent-Geared-to-Income Eligibility Rules, issued on July 19, 2021, to implement local income and asset limits.

Recognizing complexity of circumstances, the guidance as it relates to determining whether there are extenuating circumstances now includes the word *typically* (see footnote 2).

LEGISLATIVE AUTHORITY:

Housing Services Act, 2011 sections 42, 44, 45, 50, 52, 53, 56 & 57.
 HSA O. Reg. 367/11 sections 23 to 38, 40 to 41, 46.1, 47, 50, 60, 61 & 64.
 HSA O. Reg. 316/19 sections 11 & 12.
 HSA O. Reg. 370/11, Schedule 2.
 June 14, 2023, Council Report [ACS2023-CSS-GEN-004](#)

BACKGROUND:

As Service Manager under the [Housing Services Act, 2011](#) (HSA), the City has the ability and the responsibility to establish certain local policies, referred to as Local Rules, in order to administer, implement and distribute social housing resources, which include access to Rent-Geared-to-Income (RGI) assistance in an equitable and consistent manner for prescribed RGI housing programs.

City Council first established 56 Local Rules in 2002 pursuant to the *Social Housing Reform Act, 2000* (SHRA). These were referred to as Local Policies in the report entitled *Social Housing Local Policies*. In the fall of 2008, Council reviewed the 56 Local Rules and revised them to 32 as part of the report entitled *Evaluation of Local Policies in Social Housing*.

In 2012, the SHRA was repealed and replaced with the [HSA](#) and the 32 Local Rules continued unaffected by this change.

On September 13, 2017, Council reviewed the 32 Local Rules and revised them to 26 in the report entitled *Review of Local Rules and Priorities under the [Housing Services Act, 2011](#)*.

On September 23, 2019 the Province of Ontario filed Ontario Regulation 318/19 which amended [Ontario Regulation 367/11](#) under the [HSA](#). The amendments included new provincial eligibility rules on refusal of offers, rules on household preferences for a housing project and changes to a Service Manager's authority to make a Local Rule where a household ceases to meet occupancy standards. These amendments took effect January 1, 2020.

On September 23, 2019 the Province of Ontario also filed Ontario Regulation 317/19 which amended [Ontario Regulation 367/11](#) under the [HSA](#) and filed [Ontario Regulation 316/19](#) which revoked Ontario Regulation 298/01 under the [HSA](#). The amendments included new provincial eligibility rules. These amendments took effect on July 1, 2020.

On June 14, 2023, Council reviewed the 26 Local Rules and revised them to 27 in the report entitled [Update to Local Rules Under the Housing Services Act, 2011](#). Most of the rules did not change significantly from those approved in 2017, but rather, were clarified, merged and updated as permitted under the legislation.

The following Directives pertain to the Local RGI Eligibility Rules and incorporate the provincial regulatory changes and associated Local Rules that take effect on July 1, 2023. Updates to Service Manager Directive 21-04, issued July 19, 2021, have been identified with a (*new*) notation.

DIRECTIVES:

Eligibility for RGI assistance is determined in accordance with local (made by the Service Manager) and provincial eligibility rules. To capture the amendments made by the Province to [Ontario Regulation 316/19](#) and [Ontario Regulation 367/11](#), the updated provincial and ongoing local RGI eligibility rules approved by City Council in 2023 are outlined below.

The Local Rules are in addition to the provincial eligibility rules¹ set out in the [Housing Services Act, 2011](#) and supporting regulation(s). In the event of a conflict between the Directive and the legislation, the legislation prevails.

¹ Provincial eligibility rules ([Ontario Regulation 367/11](#) s. 23-41)

Reporting Changes in Information (O. Reg 367/11 s. 28)

To maintain eligibility, a household is required to notify their Housing Provider of certain changes or the occurrence of certain events. The legislated period to notify the Housing Provider is 30 days and may be extended by the Service Manager.

The Service Manager has established the following maximum periods for households to report changes in information:

A household is required to report the following changes **within 31 days**:

- a) A member of the household begins to or stops receiving financial assistance under the Ontario Works (OW) or Ontario Disability Support Program (ODSP) programs;
- b) A permanent increase in monthly income for any member of a benefit unit receiving OW or ODSP financial assistance who is not a full-time student; and
- c) A member of the household's income tax has been reassessed or additionally assessed.

A household is required to report the following changes **within 365 days** or at the time of the household's annual review, whichever occurs first:

- a) A permanent change in the composition of the household; and
- b) A change in a member of the household's full-time student status.

As the Service Manager has chosen to not exercise its discretion to review these events (i.e., these changes are only required to be reported at annual review), RGI households shall not be required to report changes to household composition, full-time student status, employment, or pension income (increases or decreases) between annual reviews.

Housing Providers have authority to make exceptions to the Local Rule on reporting changes in extenuating circumstances that are well documented. This extenuating circumstance must be well documented and available for review by the Service Manager.

Failure to Provide Information (O. Reg 367/11 s. 29) (*new*)

A household ceases to be eligible for RGI assistance if the household fails to provide information requested for the purposes of determining whether the household continues to be eligible for RGI assistance or the amount of rent payable by the household. The determination of whether the household continues to be eligible for RGI assistance is based on the prescribed provincial eligibility rules set out in [Ontario Regulation 367/11](#) s.24-32.2 and local eligibility rules as set out in Service Manager Directives.

Housing Providers may determine that the household remains eligible if they are satisfied there are extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager.

Failure to File Income Tax Returns: (O. Reg 367/11 s. 29.1)

A household ceases to be eligible for RGI assistance if a member of a RGI household, whose income is to be included in the calculation of the RGI payable by the household, has not filed an income tax return under the *Income Tax Act (Canada)* for the taxation year under review before the day of an annual review of the household's RGI rent commences.

The Service Manager has the discretion to determine that a household previously determined ineligible for RGI assistance for failure to file income tax returns becomes eligible once the income tax return is filed. This authority is not delegated.

The Service Manager, or its delegates, may determine that a household remains eligible for RGI assistance if the Service Manager is satisfied that there are extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager.

Pursuit of Income: (O. Reg 367/11 s. 31)

A household ceases to be eligible for RGI assistance if a member of an RGI household is eligible to receive income of a type as set out in O. Reg 367/11, section 31(2), and the member has failed to make reasonable efforts to obtain the income within thirty-one (31) days of notice being issued to pursue such income.

Housing Providers may determine a household remains eligible for RGI assistance if they are satisfied there are extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager **(*new*)**.

Divestment of Residential Property: (O. Reg 367/11 s. 32)

Divestment of residential property shall be within 180 days from the first day of the month in which:

- a) A household receives RGI assistance; or
- b) A household takes ownership of a residential property, if the household is already in receipt of RGI assistance.

Housing Providers have the authority to extend the time for effecting the divestment period on a case-by-case basis, for such time periods as the Housing Provider considers appropriate. However, the housing provider must be satisfied that there are reasonable grounds to do so. This exception must be well documented and available for review by the Service Manager.

Monthly Benefit (Portable Housing Benefit): (O. Reg 367/11 s. 32.1) **(*new*)**

A household that is receiving RGI assistance ceases to be eligible for such assistance if the household has accepted an offer of financial assistance referred to in section 20.1 of [Ontario Regulation 367/11](#) and begins to receive that assistance.

Maximum Household Income (Household Income Limits) (O. Reg 367/11 s. 32.4) **(*new*)**

Household Income Limits (HILs) apply to households waiting on, or applying to, the Centralized Wait List (CWL). To be eligible for RGI assistance, the household income of applicants cannot be more than the applicable HIL. Income limits do not apply to households in receipt of RGI assistance as a condition of ongoing eligibility for RGI assistance.

HILs are set out in Schedule 2 of [Ontario Regulation 370/11](#) and are updated periodically by the Province of Ontario based on the average market rents as set out in the Canada Mortgage and Housing Corporation (CMHC) [Rental Market Survey Data Tables](#).

HILs apply in relation to the largest unit for which the applicant household is eligible under Local Occupancy Standards, even if the household expresses an interest in, or accepts an offer to move to, a smaller unit.

The CWL Administrator and/or Housing Provider may determine a household is eligible for RGI assistance, despite household income exceeding the applicable HIL, if they are satisfied there are

extenuating circumstances². This extenuating circumstance must be well documented and available for review by the Service Manager. Additional operational detail can be found in Appendix “C”.

HILs do not apply to overhoused households on, or applying to be on, the CWL as they are required to move to a smaller unit.

Maximum Household Assets (Asset Limit): (O. Reg 367/11 s. 32.5) (*new*)

Asset limits apply to all RGI applicants and all RGI residents, except for households where all members are receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP) payments. All assets are included unless they are listed in [Ontario Regulation 367/11](#) s. 32.5(5). The asset limit for a single person household is \$50,000, and the asset limit for a household comprised of two or more people is \$75,000.

The CWL Administrator and/or Housing Provider may determine a household is eligible for, or continues to be eligible for, RGI assistance, despite assets exceeding the applicable asset limit, if they are satisfied there are extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager. Additional operational detail can be found in Appendix “C”.

RGI Ineligibility Period for Certain Convictions: (O. Reg 367/11 s. 36)

The Service Manager has made a Local Rule as it relates to convictions. If a member of a household has been convicted of an offense under section 55 of the [HSA](#) (knowingly obtained, aided or abetted a household to receive RGI assistance for which it was not entitled) or a crime under the Criminal Code in relation to the receipt of RGI assistance within the last two years from the date of determining eligibility, the household is ineligible for RGI assistance.

Maximum Absence from a Unit: (O. Reg 367/11 s. 37)

Households are expected to occupy the unit for which they receive RGI assistance. The maximum period of time that all members / leaseholders of the household may be absent from their unit and therefore not be occupying their RGI unit is 60 consecutive days or a total of 90 cumulative days in a calendar year. A member of the household who is absent for medical reasons is deemed to not be absent.

If a member of the household is absent from the unit for medical reasons, Housing Providers are required to obtain confirmation that the absence is for medical reasons from a licensed medical professional. If the tenant has self-diagnosed the medical condition that has led to the medical reason(s) for the absence, the member of the household must obtain and provide a licenced medical professional's diagnosis confirming the condition in order to be granted the exemption. The Service Manager requires the form attached to this Directive, as Appendix “B”, or a comparable form, to be obtained, retained on file and relied upon when making decisions under this rule.

Housing Providers have the authority to extend this absence period and make an exception to the Local Rule regarding maximum absence from a unit in extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager.

² Extenuating circumstances are typically unforeseen circumstances which were out of the control of the household, are unlikely to occur again and resulted in the household not being able to meet the requirement in order to remain eligible for RGI (*new*)

Occupancy Standards: (O. Reg 367/11 s. 38) (*new*)

The Service Manager has made a local eligibility rule providing for a household to cease to be eligible for RGI assistance if the household occupies a unit that is larger than the largest size permissible under local occupancy standards. Refer to the Directive on Local Occupancy Standards and Overhoused Rules.

Determining and Reviewing RGI Eligibility: (O. Reg 367/11 s. 59)

Verification of household eligibility for RGI assistance is to be done once every twelve (12) months.

The Service Manager delegates, by way of service agreement, to the CWL Administrator the responsibility of determining basic RGI eligibility, in accordance with RGI eligibility rules, on a yearly basis during the period that an applicant is on the CWL.

The Service Manager delegates, by way of service agreement, to Housing Providers the responsibility of determining RGI eligibility, in accordance with RGI eligibility rules, at the point when a unit is offered to an applicant, on an ongoing and annual basis once the applicant is housed.

The Service Manager completes operational reviews/site visits to monitor delegated duties regarding RGI eligibility determination.

The Service Manager may appoint an Eligibility Review Officer to monitor delegated duties regarding RGI eligibility determination.

Annual Verification of Income and Rent-Geared-to-Income Rent Payable: (O. Reg 316/19 s.10)

The Service Manager delegates, by way of service agreement, to Housing Providers the responsibility for income verification and rent calculation. Housing Providers shall verify RGI rent payable every year for all households in receipt of RGI assistance.

The Service Manager completes operational reviews/site visits to monitor delegated duties regarding income and rent payable verification.

The Service Manager may appoint an Eligibility Review Officer to monitor delegated duties regarding income and rent payable verification.

Rent Increases of Less than \$10: (O. Reg 316/19 s. 10(5), s.11(6))

An increase in RGI rent payable of less than \$10 shall not be required, except at the annual review of household composition, asset and income verification.

In-Year Review of Rent-Geared-to-Income Rent Payable: (O. Reg 316/19 s.11)

The Service Manager delegates, by way of service agreement, to Housing Providers the responsibility for in-year income verification and rent calculation.

Housing Providers shall verify RGI rent payable once between the initial RGI calculation and the first annual review.

In accordance with [Ontario Regulation 316/19](#) s. 11, the Service Manager may, at its sole discretion and on the basis of a particular circumstance, review the RGI payable once between annual reviews (“an in-year review”). The Service Manager has chosen to exercise its discretion as it relates to certain circumstances and directs Housing Providers to perform an in-year review for the following circumstances as further detailed in the Regulation:

- a) The adjusted family net income (AFNI) of the household has decreased by at least twenty (20%) for the year since the initial RGI calculation and the first annual review or the last annual review (ss. 11(2)1 of O. Reg 316/19);
- b) A member of the household begins to or stops receiving financial assistance under the Ontario Works (OW) or Ontario Disability Support Program (ODSP) programs (ss. 11(2)5 of O. Reg 316/19);
- c) A member of the household’s income tax has been reassessed or additionally assessed (ss. 11(2)6 of O. Reg 316/19); or
- d) A permanent increase in monthly income for any member of a benefit unit receiving OW or ODSP financial assistance who is not a full-time student (ss. 11(2)7 of O. Reg 316/19).

Each circumstance set out above can be reviewed once in between annual reviews. The Service Manager, or its delegates, may at its sole discretion conduct more than one in-year review of circumstances b, c and d above if it is of the opinion there are extenuating circumstances. This extenuating circumstance must be well documented and available for review by the Service Manager. **Circumstance (a) cannot be reviewed a second time in between annual reviews, even if there are extenuating circumstances.**

Fraud Control:

The Service Manager conducts random audits of RGI household files to ensure household eligibility for RGI assistance. The Service Manager may perform these audits during operational reviews/site visits or may appoint an Eligibility Review Officer to conduct audits at any time.

Community Preferences on the Centralized Wait List: (O. Reg 318/19 s. 7 & 8 - O. Reg 367/11 s. 46.1)

A household shall indicate their housing community preferences on the CWL for RGI assistance within the Service Manager area. The household may change or remove their housing community preferences while on the CWL.

Until such time that a household indicates their preference for housing communities, the household preference shall be all housing communities that have appropriately sized units within the Service Manager area.

Refusal of Offers of RGI Assistance: (O. Reg 318/19 s. 2 & 4 - O. Reg 367/11 s. 32.2)

A household ceases to be eligible for RGI assistance if the household refuses one (1) valid offer of housing. What constitutes a valid offer is set out in Appendix “A” to this Directive.

The Service Manager or its delegates may determine that a household remains eligible for RGI assistance after the refusal of one (1) valid offer if there are extenuating circumstances. Extenuating circumstances must be well documented and available for review by the Service Manager.

If the household is overhoused, refer to the Service Manager Directive that speaks to Local Occupancy Standards. (*new*)

Centralized Wait List System: (HSA s. 47)

The CWL Administrator and Housing Providers shall utilize the wait list system established under the *Social Housing Reform Act, 2000*, and continued under the [Housing Services Act, 2011](#), when households request RGI assistance.

Review of Decisions Regarding RGI Eligibility: (HSA s. 155)

The Service Manager established a system for dealing with reviews requested under Section 156 of the [HSA](#).

Internal Reviews are conducted by a three-person independent panel consisting of representatives from the Service Manager, The Registry/Housing Providers and tenant/co-op member/applicant advocates for RGI eligibility for local policies decisions, and a two-person independent panel consisting of representatives from the Service Manager and Housing Providers for RGI rent calculation decisions. (*new*)

ACTION REQUIRED:

Implement all Local RGI Eligibility Rules outlined in this Directive effective July 1, 2023.

Notify households about the new local eligibility rules pertaining to income and asset limits.

Jason Cooke
Program Manager, Community Housing

Dated: June 27, 2023