



# Committee Report

<b>To:</b>	Warden Hicks and Members of Grey County Council
<b>Committee Date:</b>	September 23, 2021
<b>Subject / Report No:</b>	HDR-CW-17-21
<b>Title:</b>	Rent Geared to Income Maximum Rent Increase 2022
<b>Prepared by:</b>	Josh Gibson, Housing Programs Manager Sharon Irwin, Tenant Services Manager
<b>Reviewed by:</b>	Anne Marie Shaw, Director of Housing
<b>Lower Tier(s) Affected:</b>	All
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW152-21;

## Recommendation

- 1. That Report HDR-CW-17-21 Rent Geared to Income Maximum Rent Increase 2022 be received; and**
- 2. That the maximum rents charged to rent geared-to-income (RGI) tenants in Community Housing owned by Grey County Housing be adjusted effective January 1, 2022 and phased into a new maximum rental charge by January 1, 2026; and**
- 3. That effective January 1, 2027 maximum rents would continue to increase yearly to reflect the Average Market Rent (AMR) as set by the Canadian Mortgage and Housing Corporation (CMHC).**

## Executive Summary

This report will outline a recommendation on raising the maximum rent-geared to income (RGI) rent for Grey County Housing tenants currently paying maximum rent. This change will provide additional revenue for housing operations and bring our rental maximums in-line with other comparable regions who also use CMHC Average Market Rent as a guideline for maximum rent increases. We are proposing a phased in approach due to the relatively significant increase to bring our maximum rents inline with the current average market rents.

Grey County Housing tenants will never pay more than 30% of their net income determined from their annual review which is line 23600 of their Notice of Assessment. This change only affects tenants who have the income to support the increased maximum rental cost, in other words those that are not currently paying 30% of their net income.

A full breakdown of phased in rental cost for the period of January 1, 2022 to January 1, 2026 is attached to this report.

Unit Size	Current Maximum Rent	Phase In Period				Proposed 2026 Maximum Rents Average Market Rent (CMHC)
		Proposed 2022 Maximum Rent	Proposed 2023 Maximum Rent	Proposed 2024 Maximum Rent	Proposed 2025 Maximum Rent	
Bachelor	<b>\$425</b>	\$466	\$512	\$561	\$616	<b>\$676</b>
1 Bedroom	<b>\$550-600</b>	\$595	\$645	\$698	\$756	<b>\$818</b>
2 Bedroom Apt.	<b>\$615</b>	\$675	\$741	\$814	\$894	<b>\$981</b>
2 Bedroom Townhouse	<b>\$675</b>	\$727	\$784	\$845	\$910	<b>\$981</b>
3 Bedroom Townhouse	<b>\$690</b>	\$755	\$826	\$904	\$989	<b>\$1,082</b>
4 Bedroom Townhouse	<b>\$700</b>	\$764	\$834	\$910	\$992	<b>\$1,083</b>
2 Bedroom Detached	<b>\$715</b>	\$772	\$834	\$900	\$972	<b>\$1,050</b>
3 Bedroom Detached	<b>\$745</b>	\$805	\$871	\$941	\$1018	<b>\$1,100</b>
2 Bedroom S-Detached	<b>\$700</b>	\$754	\$812	\$875	\$942	<b>\$1,015</b>
3 Bedroom S-Detached	<b>\$735</b>	\$790	\$849	\$913	\$981	<b>\$1,055</b>
4 Bedroom S-Detached	<b>\$715</b>	\$779	\$848	\$923	\$1006	<b>\$1,095</b>
5 Bedroom S-Detached	<b>\$730</b>	\$798	\$872	\$954	\$1043	<b>\$1,140</b>
<i>A full detailed breakdown of the phased in rental amounts and estimated revenue is attached, rental increases based on an even annual phase in to reach the current average market rent.</i>						

## Background and Discussion

The most recent maximum rent increase occurred on January 1, 2008 and until recently we did not see a large disparity between our current maximums and the average market rent as provided by the Canadian Mortgage and Housing Corporation (CMHC). In recent years this has changed significantly

and to increase revenue by charging an appropriate amount and re-align closer to a reasonable rental rate in the community staff are recommending an increase effective January 1, 2022.

Tenants who are charged maximum rent are typically working households, pension households, or in small cases households who are not following legislated requirements to provide their required annual information to staff.

No tenant would be required to pay more than 30% of their net income as per the Housing Services Act. As maximum rent increases we would re-calculate rental amounts to ensure fairness and equity for all Grey County Housing tenants.

## Legal and Legislated Requirements

The County of Grey as the Service Manager is responsible to charge rents in accordance with the Housing Services Act. Grey County Housing is required and will provide tenants proper notice of 90 days before a rental increase.

Rental calculations will be based on legislated requirements and not exceed 30% of their net income if verification documents are provided to Housing staff yearly as required.

## Financial and Resource Implications

Changes to the maximum RGI will provide additional revenue for the operational budget of Grey County Housing. Increased rental maximums have the potential to inflate rental arrears owing if rent is unpaid and staff will continue to work with tenants to maintain their tenancies.

The estimated revenue gained in 2022 is \$103,000.

## Relevant Consultation

- Internal: Housing
- External: Comparable Service Managers

## Appendices and Attachments

[Maximum Rent Revenue Forecast and Proposed Maximum Rent Changes 2022](#)