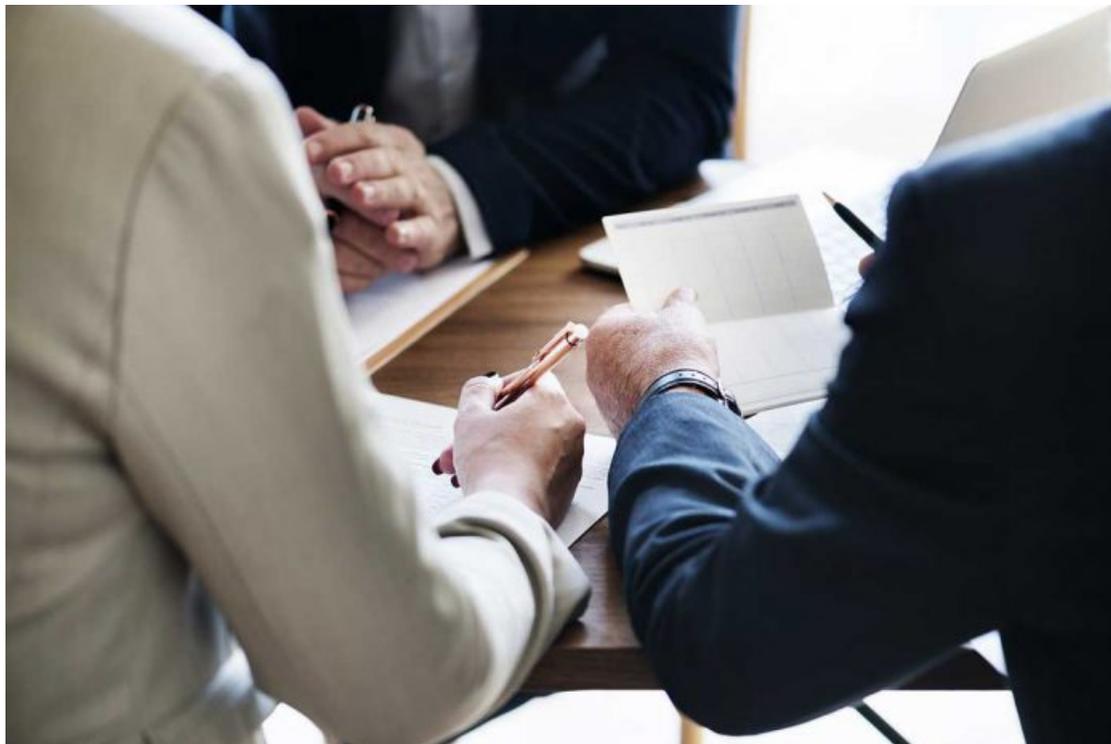


Rent freeze bill could affect DSB municipalities

By **Expositor Staff** - October 30, 2020



ESPANOLA – With the extra financial pressures the implementation of a rent freeze bill may put on the Manitoulin-Sudbury District Services Board (DSB) in 2021, the board will be sending a letter of concern to the minister of Municipal Affairs and Housing requesting funding to offset revenue losses that could come, which would result in a higher levy in 2021 to member municipalities.

Donna Stewart, director of integrated social services, informed board members at the monthly DSB meeting last week, “On October 1, 2020, Bill 204, the Helping Tenants and Small Businesses Act, 2020, received royal assent to freeze rent at 2020 levels. The act amends the Residential Tenancies Act, 2006 (RTA) to freeze residential rent increases in 2021. This means that rents will not increase in 2021 for the vast majority of rented units covered under the Residential Tenancies Act.”

“The freeze on rent increases applies to households paying rent-geared-to-income (RGI), as well as other tenants in community housing and units in care and retirement homes, in order to ensure that Ontario’s most vulnerable residents have the protections and stability they need during this time, including low-income Ontarians and seniors,” said Ms. Stewart.

Under Bill 204, the rent freeze means that RGI would not increase in 2021 as household income increased. However, if these households experience a decrease in income, their rent may still decrease as required under provincial regulations, continued Ms. Stewart.

“Municipal Affairs and Housing (MMAH) intends to pursue amendments to the regulations under the Housing Service Act, 2011 to provide one clear set of rules for RGI households

for 2021 that would be structured in a manner consistent with the RTA rent freeze.”

“Service system managers and housing providers continue to be obligated to comply with the RGI rules as set out in Ontario Regulation 316/19 under the HSA. This includes rules for annual reviews and in-year recalculations of rent, which would continue to be completed in 2021,” she explained. “During the rent freeze period, any calculated rent increase resulting from an annual or in-year review would not take effect in 2021. However, if a household experiences a decrease in income, their rent may decrease as required under provincial regulations.”

“If a household fails to submit the required paper work for an annual review and is found to be ineligible for RGI assistance, that household may be deemed ineligible for assistance, but rent could not increase from the December 2020 amount. After the rent freeze period has ended, rent could increase to the market rate.”

Ms. Stewart pointed out, “the provincial government recognizes that the rent freeze will have a financial impact on the community housing sector. MMAH plans to engage with service system managers and community housing providers to understand the scope and scale of the financial impacts.”

“With the requirement that the tenant portion of RGI cannot be increased in 2021, regardless of whether the tenant’s income has increased, this may increase the financial pressure on the Manitoulin-Sudbury DSB, and the non-profit housing providers supported through the Manitoulin-Sudbury DSB. There are currently 128 housing units owned by non-profit housing providers that are eligible for RGI supports, in addition to the 275 Manitoulin-Sudbury DSB-owned housing units. If the annual RGI calculation results in a decrease to the tenant portion of RGI, that decrease will result in a lower tenant portion for the coming year,” Ms. Stewart told the board.

The actual financial impact of this RGI change is difficult to predict, as the RGI calculation is based on the tenant’s income, said Ms. Stewart. “In any year, there would normally be tenants whose income increases, resulting in an increase in rent paid by them for the year. This is somewhat offset by tenants whose income decreases, resulting in a lower rent paid by them for the coming year.”

“Staff are recommending that the board send a letter to the MMAH requesting funding to offset revenue losses resulting from this provincial policy change as it will result in a higher levy in 2021 to member municipalities,” added Ms. Stewart. The board passed a motion in approval of the recommendation.
