

# Communiqué

Issue 2023-02

Date: April 17, 2023

*The Requirements, Recommendations and Guidelines in this Communiqué are applicable to the social housing providers administered by the City of Hamilton.*

✓	Providers Under <i>Housing Services Act, 2011</i>
✓	Providers Under a Federal Operating Agreement
✓	Requirement
✓	Guidelines
	For Information Purposes Only

## **SUBJECT: Updates from the Ministry of Municipal Affairs and Housing**

The purpose of this communication is to share information with housing providers regarding recent updates provided by the Ministry of Municipal Affairs and Housing.

### ***2022 Average Market Rent Data and 2023 Allowable Rent Chart by SM areas.***

Please find attached the *2022 Average Market Rent Data and 2023 Allowable Rent*

*Charts.*



2022 AMR Data &  
2023 Allowable Rent

### ***Rent-Geared-to-Income Calculations: Treatment of Temporary Increase to the Ontario Guaranteed Annual Income System (GAINS)***

The Ministry has provided direction regarding the treatment of the temporary increase of Guaranteed Annual Income System (GAINS) payments in 2023 for rent-geared-to-income (RGI) assistance. The Ontario government is doubling the GAINS payment for all recipients for 12 months beginning January 2023. The measure will increase the maximum GAINS payment to almost \$1000 per person in 2023.

The temporary nature of the GAINS increase means that the net income amount shown on the corresponding tax return may not reflect a household member's typical income. Therefore, the temporary increase to GAINS payments provided in 2023 shall be excluded from RGI calculations. Housing Providers are asked to keep this direction in mind when completing annual reviews that use a 2023 NOA that includes GAINS income.

## ***Service Agreements Regulations***

As you are aware, amendments to Ontario Regulation 367/11 under the *Housing Services Act, 2011* (HSA) regarding the new Service Agreement framework for community housing projects that are at the end of their mortgages and operating agreements came into force on July 1, 2022.

These amendments establish baseline rules for Service Agreements between Service Managers and housing providers whose original obligations to provide social housing have come to an end. These amendments also clarify post end of operating agreement/end of mortgage (EOA/EOM) operating provisions and enable Service Managers and housing providers to enter into new operating arrangements that address local housing needs and conditions.

The Ministry worked with a sector-based working group, comprised of both Service Manager and housing provider representatives, the Community Housing Renewal and Reference Group (CHRRG), to jointly develop the attached Question and Answer document to provide guidance on Service Agreement implementation. The document was developed with the aim to answer some commonly asked questions received from the sector and provide some clarification on aspects of the regulatory framework. Please review the attached document for more information.



**Service Agreement  
Regulations Questic**

Please contact your Housing Administration Officer if you have any questions.

Carin Finch  
George Gambioli  
Godfred Okyere-Koranteng

[Carin.Finch@hamilton.ca](mailto:Carin.Finch@hamilton.ca)  
[George.Gambioli@hamilton.ca](mailto:George.Gambioli@hamilton.ca)  
[Godfred.Okyere-Koranteng@hamilton.ca](mailto:Godfred.Okyere-Koranteng@hamilton.ca)

**Table 1: 2023 Allowable Rent for Bachelor Apartments (subject to annual review)**

Service Manager Area	Average Market Rent (AMR)	80% of AMR	Modified OW Shelter Allowance	Allowable Average Rent Per Unit
City of Toronto	\$1,316	\$1,053	\$410	\$1,053
<b>MSO Central</b>				
Regional Municipality of Durham	\$1,074	\$859	\$410	\$859
Regional Municipality of Halton	\$1,145	\$916	\$410	
Regional Municipality of Peel	\$1,148	\$918	\$410	\$918
Regional Municipality of York	\$1,048	\$838	\$410	\$838
Regional Municipality of Niagara	\$858	\$686	\$410	\$686
City of Hamilton	\$919	\$735	\$410	\$735
District Municipality of Muskoka	\$814	\$651	\$410	\$651
Simcoe County	\$985	\$788	\$410	\$788
<b>MSO Eastern</b>				
County of Hastings	\$913	\$730	\$410	\$730
City of Kawartha Lakes	\$777	\$622	\$410	\$622
Lennox and Addington + PE	**	**	\$410	\$410
County of Northumberland	**	**	\$410	\$410
City of Peterborough	\$873	\$698	\$410	\$698
City of Cornwall	\$780	\$624	\$410	\$624
City of Kingston	\$975	\$780	\$410	\$780
County of Lanark	**	**	\$410	\$410
UC of Leeds and Grenville	\$767	\$614	\$410	\$614
City of Ottawa	\$1,122	\$898	\$410	\$898
UC of Prescott and Russell	\$501	\$401	\$410	\$410
Renfrew County	\$508	\$406	\$410	\$410
<b>MSO Western</b>				
City of Brantford	\$885	\$708	\$410	\$708
County of Bruce	**	**	\$410	\$410
County of Dufferin	**	**	\$410	\$410
County of Grey	\$742	\$594	\$410	\$594
County of Norfolk	\$610	\$488	\$410	\$488
Regional Municipality of Waterloo	\$1,075	\$860	\$410	\$860
County of Wellington	\$989	\$791	\$410	\$791
Municipality of Chatham-Kent	\$867	\$694	\$410	\$694
County of Huron	**	**	\$410	\$410
County of Lambton	\$873	\$698	\$410	\$698
City of London	\$863	\$690	\$410	\$690
County of Oxford	\$886	\$709	\$410	\$709
City of St. Thomas	\$790	\$632	\$410	\$632
City of Stratford	\$743	\$594	\$410	\$594
City of Windsor	\$791	\$633	\$410	\$633
<b>MSO Northeastern</b>				
Algoma DSSAB	\$741	\$593	\$410	\$593
Cochrane District	\$570	\$456	\$410	\$456
Greater Sudbury Division	\$796	\$637	\$410	\$637
Manitoulin-Sudbury	**	**	\$410	\$410
Nipissing DSSAB	\$674	\$539	\$410	\$539
Parry Sound DSSAB	**	**	\$410	\$410
Sault Ste Marie	\$746	\$597	\$410	\$597
Timiskaming DSSAB	**	**	\$410	\$410
<b>MSO Northwestern</b>				
Kenora DSSAB	**	**	\$410	\$410
Rainy River DSSAB	**	**	\$410	\$410
Thunder Bay District	\$757	\$606	\$410	\$606
<b>GTA</b>				
GTA (Toronto, Durham, York, Peel, Halton)	\$0	\$0	\$410	
<b>Ontario</b>	<b>\$1,179</b>	<b>\$943</b>	<b>\$410</b>	<b>\$943</b>

The allowable rent tables for the Rental and Supportive component of the Affordable Housing Program (AHP) and the Investment in Affordable Housing for Ontario (IAH) program are updated annually

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

Modified OW Shelter Allowance = \$390 \* 105% = \$410

<b>Table 2: 2023 Allowable Rent for 1-Bedroom Apartments (subject to annual review)</b>				
<b>Service Manager Area</b>	<b>Average Market Rent (AMR)</b>	<b>80% of AMR</b>	<b>Modified OW Shelter Allowance</b>	<b>Allowable Average Rent Per Unit</b>
City of Toronto	\$1,537	\$1,230	\$542	\$1,230
<b>MSO Central</b>				
Regional Municipality of Durham	\$1,284	\$1,027	\$542	\$1,027
Regional Municipality of Halton	\$1,510	\$1,208	\$542	\$1,208
Regional Municipality of Peel	\$1,484	\$1,187	\$542	\$1,187
Regional Municipality of York	\$1,383	\$1,106	\$542	\$1,106
Regional Municipality of Niagara	\$1,071	\$857	\$542	\$857
City of Hamilton	\$1,142	\$914	\$542	\$914
District Municipality of Muskoka	\$965	\$772	\$542	\$772
Simcoe County	\$1,226	\$981	\$542	\$981
<b>MSO Eastern</b>				
County of Hastings	\$1,109	\$887	\$542	\$887
City of Kawartha Lakes	\$1,070	\$856	\$542	\$856
Lennox and Addington + PE	\$943	\$754	\$542	\$754
County of Northumberland	\$1,231	\$985	\$542	\$985
City of Peterborough	\$1,090	\$872	\$542	\$872
City of Cornwall	\$825	\$660	\$542	\$660
City of Kingston	\$1,211	\$969	\$542	\$969
County of Lanark	\$900	\$720	\$542	\$720
UC of Leeds and Grenville	\$912	\$730	\$542	\$730
City of Ottawa	\$1,348	\$1,078	\$542	\$1,078
UC of Prescott and Russell	\$680	\$544	\$542	\$544
Renfrew County	\$879	\$703	\$542	\$703
<b>MSO Western</b>				
City of Brantford	\$1,165	\$932	\$542	\$932
County of Bruce	\$1,054	\$843	\$542	\$843
County of Dufferin	\$1,269	\$1,015	\$542	\$1,015
County of Grey	\$931	\$745	\$542	\$745
County of Norfolk	\$882	\$706	\$542	\$706
Regional Municipality of Waterloo	\$1,245	\$996	\$542	\$996
County of Wellington	\$1,324	\$1,059	\$542	\$1,059
Municipality of Chatham-Kent	\$954	\$763	\$542	\$763
County of Huron	\$787	\$630	\$542	\$630
County of Lambton	\$1,011	\$809	\$542	\$809
City of London	\$1,127	\$902	\$542	\$902
County of Oxford	\$1,161	\$929	\$542	\$929
City of St. Thomas	\$1,042	\$834	\$542	\$834
City of Stratford	\$1,257	\$1,006	\$542	\$1,006
City of Windsor	\$1,010	\$808	\$542	\$808
<b>MSO Northeastern</b>				
Algoma DSSAB	\$880	\$704	\$542	\$704
Cochrane District	\$944	\$755	\$542	\$755
Greater Sudbury Division	\$930	\$744	\$542	\$744
Manitoulin-Sudbury	**	**	\$542	\$542
Nipissing DSSAB	\$905	\$724	\$542	\$724
Parry Sound DSSAB	**	**	\$542	\$542
Sault Ste Marie	\$917	\$734	\$542	\$734
Timsikaming DSSAB	**	**	\$542	\$542
<b>MSO Northwestern</b>				
Kenora DSSAB	\$836	\$669	\$542	\$669
Rainy River DSSAB	**	**	\$542	\$542
Thunder Bay District	\$964	\$771	\$542	\$771
<b>GTA</b>				
GTA (Toronto, Durham, York, Peel, Halton)				
<b>Ontario</b>	<b>\$1,350</b>	<b>\$1,080</b>	<b>\$542</b>	<b>\$1,080</b>

The allowable rent tables for the Rental and Supportive component of the Affordable Housing Program (AHP) and the Investment in Affordable Housing for Ontario (IAH) program are updated annually

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

As it is unclear how many people would live in a one-bedroom unit, it could be one person with a shelter allowance of \$390 per month or two people with a combined shelter allowance of \$642 per month. To compensate for this uncertainty, the OW rate was modified. This model assumes that the average shelter allowance for a one-bedroom unit would be the mid-point between the shelter Modified OW Shelter Allowance =  $\$516 \times 105\% = \$542$  (accounts for uncertainty if 1 or 2 people live in a 1-bdrm unit)

<b>Table 3: 2023 Allowable Rent for 2-Bedroom Apartments (subject to annual review)</b>				
<b>Service Manager Area</b>	<b>Average Market Rent (AMR)</b>	<b>80% of AMR</b>	<b>Modified OW Shelter Allowance</b>	<b>Allowable Average Rent Per Unit</b>
City of Toronto	\$1,811	\$1,449	\$732	\$1,449
<b>MSO Central</b>				
Regional Municipality of Durham	\$1,460	\$1,168	\$732	\$1,168
Regional Municipality of Halton	\$1,784	\$1,427	\$732	\$1,427
Regional Municipality of Peel	\$1,666	\$1,333	\$732	\$1,333
Regional Municipality of York	\$1,539	\$1,231	\$732	\$1,231
Regional Municipality of Niagara	\$1,260	\$1,008	\$732	\$1,008
City of Hamilton	\$1,334	\$1,067	\$732	\$1,067
District Municipality of Muskoka	\$1,203	\$962	\$732	\$962
Simcoe County	\$1,430	\$1,144	\$732	\$1,144
<b>MSO Eastern</b>				
County of Hastings	\$1,295	\$1,036	\$732	\$1,036
City of Kawartha Lakes	\$1,292	\$1,034	\$732	\$1,034
Lennox and Addington + PE	\$1,042	\$834	\$732	\$834
County of Northumberland	\$1,650	\$1,320	\$732	\$1,320
City of Peterborough	\$1,339	\$1,071	\$732	\$1,071
City of Cornwall	\$1,003	\$802	\$732	\$802
City of Kingston	\$1,472	\$1,178	\$732	\$1,178
County of Lanark	\$1,119	\$895	\$732	\$895
UC of Leeds and Grenville	\$1,141	\$913	\$732	\$913
City of Ottawa	\$1,633	\$1,306	\$732	\$1,306
UC of Prescott and Russell	\$1,131	\$905	\$732	\$905
Renfrew County	\$1,066	\$853	\$732	\$853
<b>MSO Western</b>				
	\$0			
City of Brantford	\$1,259	\$1,007	\$732	\$1,007
County of Bruce	\$1,409	\$1,127	\$732	\$1,127
County of Dufferin	\$1,455	\$1,164	\$732	\$1,164
County of Grey	\$1,069	\$855	\$732	\$855
County of Norfolk	\$1,021	\$817	\$732	\$817
Regional Municipality of Waterloo	\$1,469	\$1,175	\$732	\$1,175
County of Wellington	\$1,490	\$1,192	\$732	\$1,192
Municipality of Chatham-Kent	\$1,088	\$870	\$732	\$870
County of Huron	\$948	\$758	\$732	\$758
County of Lambton	\$1,221	\$977	\$732	\$977
City of London	\$1,400	\$1,120	\$732	\$1,120
County of Oxford	\$1,384	\$1,107	\$732	\$1,107
City of St. Thomas	\$1,292	\$1,034	\$732	\$1,034
City of Stratford	\$1,350	\$1,080	\$732	\$1,080
City of Windsor	\$1,174	\$939	\$732	\$939
<b>MSO Northeastern</b>				
	\$0			
Algoma DSSAB	\$1,009	\$807	\$732	\$807
Cochrane District	\$1,062	\$850	\$732	\$850
Greater Sudbury Division	\$1,254	\$1,003	\$732	\$1,003
Manitoulin-Sudbury	**	**	\$732	\$732
Nipissing DSSAB	\$1,116	\$893	\$732	\$893
Parry Sound DSSAB	**	**	\$732	\$732
Sault Ste Marie	\$1,087	\$870	\$732	\$870
Timsikaming DSSAB	**	**	\$732	\$732
<b>MSO Northwestern</b>				
	\$0			
Kenora DSSAB	\$1,008	\$806	\$732	\$806
Rainy River DSSAB	**	**	\$732	\$732
Thunder Bay District	\$1,175	\$940	\$732	\$940
<b>GTA</b>				
GTA (Toronto, Durham, York, Peel, Halton)				
<b>Ontario</b>	<b>\$1,555</b>	<b>\$1,244</b>	<b>\$732</b>	<b>\$1,244</b>

The allowable rent tables for the Rental and Supportive component of the Affordable Housing Program (AHP) and the Investment in Affordable Housing for Ontario (IAH) program are updated annually

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

As it is unclear how many people would live in a one-bedroom unit, it could be one person with a shelter allowance of \$390 per month or two people with a combined shelter allowance of \$642 per month. To compensate for this uncertainty, the OW rate was modified. This model assumes that the average shelter allowance for a one-bedroom unit would be the mid-point between the shelter Modified OW Shelter Allowance =  $\$697 \times 105\% = \$732$  (model assumes 3 people living in 2-bdrm unit)

**Table 4: 2023 Allowable Rent for 3-Bedroom Apartments (subject to annual review)**

Service Manager Area	Average Market Rent (AMR)	80% of AMR	Modified OW Shelter Allowance	Allowable Average Rent Per Unit
City of Toronto	\$2,083	\$1,666	\$794	\$1,666
<b>MSO Central</b>				
Regional Municipality of Durham	\$1,662	\$1,330	\$794	\$1,330
Regional Municipality of Halton	\$1,910	\$1,528	\$794	\$1,528
Regional Municipality of Peel	\$1,849	\$1,479	\$794	\$1,479
Regional Municipality of York	\$1,881	\$1,505	\$794	\$1,505
Regional Municipality of Niagara	\$1,389	\$1,111	\$794	\$1,111
City of Hamilton	\$1,486	\$1,189	\$794	\$1,189
District Municipality of Muskoka	\$1,281	\$1,025	\$794	\$1,025
Simcoe County	\$1,572	\$1,258	\$794	\$1,258
<b>MSO Eastern</b>	\$0			
County of Hastings	\$1,579	\$1,263	\$794	\$1,263
City of Kawartha Lakes	\$1,294	\$1,035	\$794	\$1,035
Lennox and Addington + PE	**	**	\$794	\$794
County of Northumberland	\$1,756	\$1,405	\$794	\$1,405
City of Peterborough	\$1,517	\$1,214	\$794	\$1,214
City of Cornwall	\$1,035	\$828	\$794	\$828
City of Kingston	\$1,624	\$1,299	\$794	\$1,299
County of Lanark	**	**	\$794	\$794
UC of Leeds and Grenville	\$1,161	\$929	\$794	\$929
City of Ottawa	\$1,865	\$1,492	\$794	\$1,492
UC of Prescott and Russell	**	**	\$794	\$794
Renfrew County	**	**	\$794	\$794
<b>MSO Western</b>	\$0			
City of Brantford	\$1,326	\$1,061	\$794	\$1,061
County of Bruce	\$1,488	\$1,190	\$794	\$1,190
County of Dufferin	\$1,588	\$1,270	\$794	\$1,270
County of Grey	\$1,145	\$916	\$794	\$916
County of Norfolk	**	**	\$794	\$794
Regional Municipality of Waterloo	\$1,631	\$1,305	\$794	\$1,305
County of Wellington	\$1,504	\$1,203	\$794	\$1,203
Municipality of Chatham-Kent	\$1,058	\$846	\$794	\$846
County of Huron	**	**	\$794	\$794
County of Lambton	\$1,554	\$1,243	\$794	\$1,243
City of London	\$1,617	\$1,294	\$794	\$1,294
County of Oxford	\$1,468	\$1,174	\$794	\$1,174
City of St. Thomas	**	**	\$794	\$794
City of Stratford	\$1,434	\$1,147	\$794	\$1,147
City of Windsor	\$1,316	\$1,053	\$794	\$1,053
<b>MSO Northeastern</b>	\$0			
Algoma DSSAB	\$964	\$771	\$794	\$794
Cochrane District	\$1,120	\$896	\$794	\$896
Greater Sudbury Division	\$1,472	\$1,178	\$794	\$1,178
Manitoulin-Sudbury	**	**	\$794	\$794
Nipissing DSSAB	\$1,311	\$1,049	\$794	\$1,049
Parry Sound DSSAB	**	**	\$794	\$794
Sault Ste Marie	\$1,005	\$804	\$794	\$804
Timiskaming DSSAB	**	**	\$794	\$794
<b>MSO Northwestern</b>	\$0			
Kenora DSSAB	**	**	\$794	\$794
Rainy River DSSAB	**	**	\$794	\$794
Thunder Bay District	\$1,457	\$1,166	\$794	\$1,166
<b>GTA</b>				
GTA (Toronto, Durham, York, Peel, Halton)				
<b>Ontario</b>	<b>\$1,835</b>	<b>\$1,468</b>	<b>\$794</b>	<b>\$1,468</b>

The allowable rent tables for the Rental and Supportive component of the Affordable Housing Program (AHP) and the Investment in Affordable Housing for Ontario (IAH) program are updated annually

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

Modified OW Shelter Allowance = \$756 \* 105% = \$794 (model assumes 4 people living in 3-bdrm unit)

**Table 5: 2023 Allowable Rent for 4-Bedroom Apartments (subject to annual review)**

Service Manager Area	Average Market Rent (AMR)	80% of AMR	Modified OW Shelter Allowance	Allowable Average Rent Per Unit
City of Toronto	\$2,633	\$2,106	\$856	\$2,106
<b>MSO Central</b>				
Regional Municipality of Durham	**	**	\$856	\$856
Regional Municipality of Halton	**	**	\$856	\$856
Regional Municipality of Peel	\$1,768	\$1,414	\$856	\$1,414
Regional Municipality of York	**	**	\$856	\$856
Regional Municipality of Niagara	**	**	\$856	\$856
City of Hamilton	**	**	\$856	\$856
District Municipality of Muskoka	**	**	\$856	\$856
Simcoe County	**	**	\$856	\$856
<b>MSO Eastern</b>				
County of Hastings	**	**	\$856	\$856
City of Kawartha Lakes	**	**	\$856	\$856
Lennox and Addington + PE	**	**	\$856	\$856
County of Northumberland	**	**	\$856	\$856
City of Peterborough	**	**	\$856	\$856
City of Cornwall	**	**	\$856	\$856
City of Kingston	**	**	\$856	\$856
County of Lanark	**	**	\$856	\$856
UC of Leeds and Grenville	**	**	\$856	\$856
City of Ottawa	**	**	\$856	\$856
UC of Prescott and Russell	**	**	\$856	\$856
Renfrew County	**	**	\$856	\$856
<b>MSO Western</b>	\$0			
City of Brantford	**	**	\$856	\$856
County of Bruce	**	**	\$856	\$856
County of Dufferin	**	**	\$856	\$856
County of Grey	**	**	\$856	\$856
County of Norfolk	**	**	\$856	\$856
Regional Municipality of Waterloo	**	**	\$856	\$856
County of Wellington	**	**	\$856	\$856
Municipality of Chatham-Kent	**	**	\$856	\$856
County of Huron	**	**	\$856	\$856
County of Lambton	**	**	\$856	\$856
City of London	**	**	\$856	\$856
County of Oxford	**	**	\$856	\$856
City of St. Thomas	**	**	\$856	\$856
City of Stratford	**	**	\$856	\$856
City of Windsor	**	**	\$856	\$856
<b>MSO Northeastern</b>				
Algoma DSSAB	**	**	\$856	\$856
Cochrane District	**	**	\$856	\$856
Greater Sudbury Division	**	**	\$856	\$856
Manitoulin-Sudbury	**	**	\$856	\$856
Nipissing DSSAB	**	**	\$856	\$856
Parry Sound DSSAB	**	**	\$856	\$856
Sault Ste Marie	**	**	\$856	\$856
Timiskaming DSSAB	**	**	\$856	\$856
<b>MSO Northwestern</b>				
Kenora DSSAB	**	**	\$856	\$856
Rainy River DSSAB	**	**	\$856	\$856
Thunder Bay District	**	**	\$856	\$856
<b>GTA</b>				
GTA (Toronto, Durham, York, Peel, Halton)				
<b>Ontario</b>	<b>\$2,549</b>	<b>\$2,039</b>	<b>\$856</b>	<b>\$2,039</b>

The allowable rent tables for the Rental and Supportive component of the Affordable Housing Program (AHP) and the Investment in Affordable Housing for Ontario (IAH) program are updated annually

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corporation.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

Modified OW Shelter Allowance = \$815 \* 105% = \$856 (model assumes 5 people living in 4-bdrm unit)

**Table 6: Average Rents (\$) from Apartment Structures from RMS October 2022**

**Privately Initiated Structures with 3 or more units, Centres 10,000+**

Service Manager Area	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total Bedroom
City of Toronto	\$1,316	\$1,537	\$1,811	\$2,083	\$2,633	\$1,673
<b>MSO Central</b>						
Regional Municipality of Durham	\$1,074	\$1,284	\$1,460	\$1,662	**	\$1,425
Regional Municipality of Halton	\$1,145	\$1,510	\$1,784	\$1,910	**	\$1,696
Regional Municipality of Peel	\$1,148	\$1,484	\$1,666	\$1,849	\$1,768	\$1,601
Regional Municipality of York	\$1,048	\$1,383	\$1,539	\$1,881	**	\$1,489
Regional Municipality of Niagara	\$858	\$1,071	\$1,260	\$1,389	**	\$1,199
City of Hamilton	\$919	\$1,142	\$1,334	\$1,486	**	\$1,238
District Municipality of Muskoka	\$814	\$965	\$1,203	\$1,281	**	\$1,143
Simcoe County	\$985	\$1,226	\$1,430	\$1,572	**	\$1,338
<b>MSO Eastern</b>						
County of Hastings	\$913	\$1,109	\$1,295	\$1,579	**	\$1,245
City of Kawartha Lakes	\$777	\$1,070	\$1,292	\$1,294	**	\$1,169
Lennox and Addington + PE	**	\$943	\$1,042	**	**	\$1,002
County of Northumberland	**	\$1,231	\$1,650	\$1,756	**	\$1,544
City of Peterborough	\$873	\$1,090	\$1,339	\$1,517	**	\$1,244
City of Cornwall	\$780	\$825	\$1,003	\$1,035	**	\$941
City of Kingston	\$975	\$1,211	\$1,472	\$1,624	**	\$1,390
County of Lanark	**	\$900	\$1,119	**	**	\$982
UC of Leeds and Grenville	\$767	\$912	\$1,141	\$1,161	**	\$1,066
City of Ottawa	\$1,122	\$1,348	\$1,633	\$1,865	**	\$1,462
UC of Prescott and Russell	\$501	\$680	\$1,131	**	**	\$1,014
Renfrew County	\$508	\$879	\$1,066	**	**	\$1,028
<b>MSO Western</b>						
City of Brantford	\$885	\$1,165	\$1,259	\$1,326	**	\$1,233
County of Bruce	**	\$1,054	\$1,409	\$1,488	**	\$1,324
County of Dufferin	**	\$1,269	\$1,455	\$1,588	**	\$1,372
County of Grey	\$742	\$931	\$1,069	\$1,145	**	\$1,019
County of Norfolk	\$610	\$882	\$1,021	**	**	\$979
Regional Municipality of Waterloo	\$1,075	\$1,245	\$1,469	\$1,631	**	\$1,398
County of Wellington	\$989	\$1,324	\$1,490	\$1,504	**	\$1,424
Municipality of Chatham-Kent	\$867	\$954	\$1,088	\$1,058	**	\$1,036
County of Huron	**	\$787	\$948	**	**	\$877
County of Lambton	\$873	\$1,011	\$1,221	\$1,554	**	\$1,142
City of London	\$863	\$1,127	\$1,400	\$1,617	**	\$1,291
County of Oxford	\$886	\$1,161	\$1,384	\$1,468	**	\$1,311
City of St. Thomas	\$790	\$1,042	\$1,292	**	**	\$1,208
City of Stratford	\$743	\$1,257	\$1,350	\$1,434	**	\$1,310
City of Windsor	\$791	\$1,010	\$1,174	\$1,316	**	\$1,065
<b>MSO Northeastern</b>						
Algoma DSSAB	\$741	\$880	\$1,009	\$964	**	\$958
Cochrane District	\$570	\$944	\$1,062	\$1,120	**	\$1,004
Greater Sudbury Division	\$796	\$930	\$1,254	\$1,472	**	\$1,135
Manitoulin-Sudbury	**	**	**	**	**	**
Nipissing DSSAB	\$674	\$905	\$1,116	\$1,311	**	\$1,040
Parry Sound DSSAB	**	**	**	**	**	**
Sault Ste Marie	\$746	\$917	\$1,087	\$1,005	**	\$1,015
Timiskaming DSSAB	**	**	**	**	**	**
<b>MSO Northwestern</b>						
Kenora DSSAB	**	\$836	\$1,008	**	**	\$911
Rainy River DSSAB	**	**	**	**	**	**
Thunder Bay District	\$757	\$964	\$1,175	\$1,457	**	\$1,094
<b>GTA</b>						
GTA (Toronto, Durham, York, Peel, Halton)						
<b>Ontario</b>	<b>\$1,179</b>	<b>\$1,350</b>	<b>\$1,555</b>	<b>\$1,835</b>	<b>\$2,549</b>	<b>\$1,470</b>

Source: 2022 Rental Market Survey (RMS), Canada Mortgage and Housing Corp.

\*\* Data Suppressed to Protect Confidentiality or Data is not Statistically Reliable

# **Service Agreement Regulations: Questions and Answers**

**Ministry of Municipal Affairs and Housing**  
**March 2023**

## Purpose

The following document is intended to respond to questions received from the community housing sector regarding the service agreement regulations under the Housing Services Act, 2011 (HSA).

**This document is not intended as legal advice and is intended to be read with the HSA and its regulations. In the event of a conflict between this document and the legislation, the legislation will prevail. Housing providers and service managers are encouraged to consult with their own legal counsel for assistance in interpreting and applying the legislation.**

## Questions and Answers

1. Are all providers required to sign service agreements and/or exit agreements?.....	4
2. What options do federal projects have? .....	5
3. What happens for providers who have mortgages ending this year – what options do they have?.....	6
4. Do housing providers and service managers have flexibility when negotiating service agreements? .....	7
5. Can providers with multiple housing properties negotiate their full portfolios (multiple projects within a service area) as part of their agreements, or will individual agreements for each project at end of mortgage or end of operating agreement be needed? .....	7
6. What are the requirements for the financial plans? .....	8
7. Why are financial plans required in service agreements?.....	9
8. What are the service agreement requirements for subsidies for RGI units? .....	10
9. What are the requirements for target plans (for RGI assistance or other forms of assistance)?.....	10
10. Do the regulations set out any requirements for how to determine market rent?.....	11
11. Do the regulations require service managers to cover property taxes? .....	11
12. Do the regulations prescribe a process to follow for dispute resolution that is to be included in service agreements? .....	12

## 1. Are all providers required to sign service agreements and/or exit agreements?

Under the new framework a housing provider that operates a housing project which is subject to Part VII of the Housing Services Act, 2011 (HSA) must sign either a service agreement or exit agreement when its original obligations end. Those projects remain subject to existing Part VII rules until they enter into a service agreement, or an exit agreement with their service manager. All service and exit agreements must be mutually agreed upon and signed by both the service manager and housing provider.

- A Part VII housing project is a project that is listed in O.Reg. 368/11 as being subject to either Program 6(a) or 6(b), as set out in Schedule 1 of O.Reg. 367/11.

A housing project that is not subject to Part VII, or operates under other parts of the HSA, is not required to sign either a service or exit agreement under the new regulatory framework.

However, housing providers that are not subject to Part VII should assess the benefits of continuing to provide housing units under a service agreement, including continued eligibility for provincial funding programs, such as the Canada-Ontario Community Housing Initiative (COCHI).

Service managers and housing providers are encouraged to work together to explore potential options to ensure that community housing continues to serve households in their communities.

## 2. What options do federal projects have?

The new regulatory framework is flexible and non-Part VII housing projects can voluntarily enter into service agreements when their original obligations have ended. Housing providers with non-Part VII projects are encouraged to reach out to their service managers early to discuss and explore options for service agreements that may be mutually beneficial for the continued provision of their housing units.

A legacy housing project that is not subject to Part VII, or operates under other parts of the HSA, is not required to sign either a service or exit agreement under the new regulatory framework. This includes housing projects that are operated under agreements with the Federal government, such as federal co-operatives.

There may be cases where housing providers operate a building where there are two phases of a project under separate sets of rules. In this case, the housing provider and service manager may want to consider consolidating accountabilities under a single service agreement.

### 3. What happens for providers who have mortgages ending this year – what options do they have?

Housing providers that have a housing project subject to Part VII of the HSA will continue to be subject to existing Part VII rules (including associated funding rules) until they enter into a service agreement or an exit agreement with their service manager. All service and exit agreements must be mutually agreed upon and signed by both the service manager and housing provider.

The level and time of Council approval will vary by region. In the absence of a service agreement model approved by Council when obligations end, there are multiple avenues that service managers and housing providers can explore as interim measures to help ensure the financial stability of housing providers while formal agreements are being negotiated.

In some situations, interim agreements may help provide some certainty to parties during the interim period if early service agreements take longer than expected to finalize.

The regulations do not preclude service managers and housing providers from entering into interim agreements but there is no requirement to do so. For example, a service manager and housing provider may enter into a new rent supplement agreement while a new service agreement is being negotiated.

For Part VII housing projects, if an interim agreement does not meet all the regulatory requirements to constitute a service agreement, the service manager and housing provider must still comply with the existing HSA requirements applicable to Part VII housing projects in addition to the interim agreement.

Formalized interim agreements may also require some amount of negotiating. This could be as simple as the service manager continuing to fund the rent supplements while the service agreement is in negotiations. There are some cases where a service manager has the delegated authority to provide supplementary or additional funding in the interim without the need for a formal interim agreement.

Service managers and housing providers are encouraged to work together to begin early discussions to explore options on service agreements prior to the maturation of mortgages or end of agreements.

#### 4. Do housing providers and service managers have flexibility when negotiating service agreements?

Yes. Housing providers and service managers are encouraged to begin discussions early and work together on the development of service agreements in advance of the expiry of their mortgages or agreements. This will ensure successful agreements are achieved and sufficient time is allocated to secure approvals (e.g., service manager council and housing provider board approvals).

#### 5. Can providers with multiple housing properties negotiate their full portfolios (multiple projects within a service area) as part of their agreements, or will individual agreements for each project at end of mortgage or end of operating agreement be needed?

The regulations do not prevent the negotiation of full portfolios provided that service agreement provisions are satisfied.

Early conversations will help ensure a seamless transition into the new framework, particularly in cases of multiple projects or portfolios. Housing providers are encouraged to reach out to their service manager well before the expiry of any mortgage or operating agreement.

Service agreements under the new Part VII.1 must have a term of at least 10 years; however the agreements can be later amended or replaced by mutual agreement to develop a portfolio-based approach (para 1, 2 and 3 of s 105.1 (2), O. Reg. 367/11) in the case that the housing projects have differing expiry or end dates. There is nothing in the regulation that would prevent housing projects entering the new framework under one agreement, provided that the term for each project is at least 10 years.

## 6. What are the requirements for the financial plans?

The regulations require that service agreements must include a financial plan.

The regulations require that these financial plans must:

- Be jointly developed by the housing provider and the service manager (para. 13.i of s. 105.1 (2));
- Address how the revenues will meet expenditures for the project, including projected capital expenditures (para. 13.ii of s. 105.1 (2));
- Address how any other rent for units – other than the RGI units - in the housing project will be set (para. 13.iii of s. 105.1 (2));
- Cover a period of at least five years from the effective date of the service agreement (para. 13.iv of s. 105.1 (2)); and,
- The financial plans must be reviewed at least every five years (para. 14 of s. 105.1 (2)).

## 7. Why are financial plans required in service agreements?

Financial plans are an essential component of service agreements to help forecast and plan for operating expenses and revenues, and for meeting the projected capital expenditures. A service manager and housing provider's financial plan will act as a bridge to connect many of the regulatory requirements together and guide a discussion that is focussed on ensuring financial sustainability for both housing providers and service managers.

The development of a financial plan provides an opportunity for housing providers and service managers to work together and plan for the long-term financial sustainability of a project and examine how a project's revenues will meet its expenses. Financial plan development will allow parties to openly discuss operating expenses and revenues, including:

- Property tax expenses;
- Capital repair needs;
- How operating costs and revenues are managed over the term of the plan;
- How market rents should be set to ensure sustainable long-term operations; and,
- Subsidized unit target plans (or subsidized unit numbers).

Housing providers and service managers should use available tools, resources, and data supports to aid the discussion and development of financial plans such as building condition audits (BCAs) and other technical reports for capital repair needs, audited financial statements, current year budget, subsidy calculation estimates, and other long term financial planning tools.

## 8. What are the service agreement requirements for subsidies for RGI units?

For the purposes of RGI units and market rent units, the regulations require that:

- Service managers provide a subsidy that bridges the gap between RGI rent and market rent (para. 11 of s. 105.1 (2)); and
- Funding to bridge the gap between RGI rent and market rent would apply to all existing RGI households, at minimum (para. 7 and 8 of s. 105.1(2)).

Any rent increases for existing market rent tenants must also comply with any other applicable legislation (e.g., Residential Tenancies Act, 2006).

## 9. What are the requirements for target plans (for RGI assistance or other forms of assistance)?

The regulations require that service agreements must include the number of units (or a target/range) in the housing project where households will receive RGI assistance (para. 4 of s 105.1 (2), O. Reg. 367/11) but it does not prescribe what those targets are.

In addition to any RGI units, the service agreement would also need to include the number of units (or a target/range) for any units funded through eligible alternate forms of assistance, where applicable (para 4 of s 105.1 (2), O. Reg. 367/11).

Households that were in receipt of RGI assistance in the housing project prior to the service agreement coming into effect must continue to receive RGI assistance under the new service agreement (para 7 and 8 of s 105.1 (2), O. Reg. 367/11). This would mean that at a minimum, these households would need to be included as part of the RGI targets or target range.

Service managers and housing providers are encouraged to work together to negotiate targets that meet their shared goals and the housing needs in their service area.

## 10. Do the regulations set out any requirements for how to determine market rent?

No. The regulations do not provide requirements or parameters for determining market rent or rent for units in a building.

As noted in Question 7, on financial plans, service managers and housing providers are encouraged to work together to set the rents in a building as part of the broader discussion on project financial sustainability when jointly establishing a financial plan (para. 13 of s 105.1 (2), O. Reg. 367/11).

Relevant information to support discussions on setting market rent may include:

- Historical unit prices in the building;
- Current and potential unit mix (e.g., what is the current mix of subsidized and non-subsidized units);
- Average and/or median rent prices in the area;
- Age and quality of the rental building;
- Capital repairs plans and/or asset management plans;
- Utilities (e.g., if the housing provider pays for hydro, unit rents may be higher than when a tenant pays for hydro);
- Operating expenses; and,
- Vacancy rate for comparable rental units in the service manager area.

## 11. Do the regulations require service managers to cover property taxes?

No. The regulations do not set out requirements for service managers to cover property tax expenses. Any offsets to property tax expenses are made at the discretion of the municipality in question (subject to the municipality's compliance with other applicable legislation).

As noted in Question 7, service managers and housing providers are encouraged to work together to discuss operating expenses, such as property taxes, as part of a broader discussion on financial sustainability when jointly establishing a financial plan (para. 13 of s 105.1 (2), O. Reg. 367/11).

## 12. Do the regulations prescribe a process to follow for dispute resolution that is to be included in service agreements?

The regulations require that a service agreement must include a dispute resolution process that both parties will follow in the event of any alleged non-compliance (para. 15 of s. 105.1(2)).

There are no specific provisions in the regulation about the type of dispute resolution process that must be included in a service agreement. Service managers and housing providers should seek to incorporate a process for dispute resolution that will help avoid unnecessary litigation and minimize tenant impacts in cases of disagreements.

In establishing dispute resolution processes in service agreements, housing providers and service managers are encouraged to leverage existing dispute resolution mechanisms that include options for parties to use alternative dispute resolution, such as negotiation, facilitation, mediation, and arbitration.