

# Communiqué

Issue

April 30, 2020

2020-3

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

<input checked="" type="checkbox"/>	Providers Under <i>Housing Services Act, 2011</i>
<input type="checkbox"/>	Providers Under a Federal Operating Agreement
<input checked="" type="checkbox"/>	Requirement

## **SUBJECT: Managing RGI Changes & Requests During COVID-19 Pandemic**

This is an update to the previous Communiqués dated March 26 and April 7, 2020, to keep Housing Providers informed about the Service Manager's response to COVID-19 pandemic. For access to previous notices, please visit our website at <https://www.hamilton.ca/social-services/housing/housing-provider-information>

The purpose of this Communiqué is to provide guidance to community housing providers about managing rent-geared-to-income (RGI) changes and requests during the COVID-19 pandemic.

### **Extensions of RGI Subsidies**

The intent of these temporary changes to RGI processes and procedures is to stabilize tenancies/occupancies and minimize the need for contact between RGI tenants/co-op members and housing provider staff. It was for this reason, that the City of Hamilton, as Service Manager, decided to extend all applicable subsidy expiry dates from **March 31, 2020 to May 31, 2020**. Housing Providers may defer verification of income, assets and other information until the time of the next **quarterly or annual review** in either of the following circumstances:

- there are no significant changes declared by the tenant or co-op member.
- the tenant or co-op member is unable to provide the information due to illness, quarantine or their employer's temporary closure.
- the amount of the CERB is greater than the average earnings used in the current RGI calculation (If the CERB results in an **increase** of rent, the CERB will NOT be used as income, the previous rent calculation will be extended)
- the amount of Guaranteed Annual Income System (GAINS) has increased. Starting in April 2020, low income seniors will receive double the benefit from



the Guaranteed Annual Income System (GAINS) payment for six months – up to a maximum payment of \$166 per month for a single person and \$322 per month for a couple. This income will be included in RGI calculations during the regular annual RGI review process.

- A one-time lump sum payment is received from the government or another organization to mitigate the impact of COVID-19. This includes the one-time payment of \$200 per child up to 12 years of age (\$250 for those with special needs) that is paid by the Government of Ontario to offset extra costs associated with school and daycare closures during the COVID-19 outbreak.

Housing providers should document the reasons for extending the subsidy and why an in-year adjustment was not completed.

*For example:*

A tenant (a single parent with two children) currently pays RGI of \$350 based on earnings of \$1,317 per month. On March 25, 2020, she advises the housing provider that she is no longer working because she must stay at home to care for her children due to school closures as result of COVID-19. She has applied and starts to receive the CERB of \$2,000 per month (\$24,000 per year) April 5, 2020. RGI is NOT adjusted, and the RGI subsidy continues until the next quarterly or annual renewal.

### **Increase in Income Due to Earnings**

Tenants or co-op members may report changes to their household income because of a temporary increase as a result of COVID-19 related incomes such as those working in grocery stores and essential services whom are paid hourly.

A rent calculation can be performed as per the standard process, only if the calculation would not take effect until June 1, 2020 (any rent increase does not take effect until the first day of the second month after the income increase occurred).

*For example:*

A Tenant currently pays RGI of \$410 based on earning of \$1,516 per month (\$18,192 per year). On April 10, 2020 she advises that she is now working full-time and as a result earns \$2,500 per month (\$36,000 per year). Her new RGI calculation is \$705 effective June 1, 2020 and she is placed on quarterly reporting. In effect, there is no change of her RGI during the Period April – May 2020.

### **Decrease in Income Due to COVID-19**

Tenants and co-op members may request changes to their RGI because of a decreased income due to COVID-19 job loss, reduced hours, illness or quarantine.

Any RGI changes are based on current incomes and tenants/members must have applied for the following:



- Canada Emergency Response Benefit (CERB) – a payment of \$2,000 per month for up to 16 weeks (4 months)
- Employment Insurance (EI) regular or sickness benefit
- Ontario Works –Applicants may qualify for regular ongoing Ontario Works, or they may qualify for emergency assistance from Ontario Works for 16 days up to 48 days.

*For example:*

A tenant currently pays RGI of \$795 based on earnings of \$2,800 per month (i.e. \$33,600 per year). On March 28, 2020, he advises that he has been quarantined due to COVID-19. He has applied for the Canada Emergency Response Benefit (CERB) in April 2020. The tenant starts to receive the CERB of \$2,000 per month (\$24,000 per year) on April 18, 2020. The amount of the CERB is almost 29 per cent lower than the average annual earnings currently used in the RGI calculation. RGI is adjusted effective April 1, 2020 (the month of the CERB grant) to \$555. In effect, a reduction occurs on the 1<sup>st</sup> day of the month following the month in which a reduction in income was reported.

### In Situ RGI Applications

Market rent Tenants and co-op members may request changes to their rent because of a decreased income due to COVID-19 job loss, reduced hours, illness or quarantine.

As per the City of Hamilton’s Policy RGI to Market (12-month rule)- “Households are entitled to receive RGI assistance if their household income decreases within the first 12-months of paying the equivalent to market rent. The effective date of the RGI assistance would be the first day of the month following the decrease in income”. Tenants that meet this qualification may have their RGI reinstated immediately if all the following apply:

- They were determined ineligible for RGI within the previous 12 months
- Their average annual income has decreased by at least 20 per cent from the last average annual income used in their RGI calculation.
- If they are pending another source of income, they may be assessed for immediate reinstatement of RGI once they have received a decision on their application. (e.g. EI, Ontario Works or CERB).

<https://www.hamilton.ca/sites/default/files/media/browser/2019-09-16/housing-rgi-to-market-rent-12-months-rule.pdf>

Market tenants or co-op members who do not meet the “12-month rule” may still be considered for immediate RGI in accordance with the City of Hamilton’s Market to RGI (In-Situ) Policy. This policy states a Housing Provider that is “**under RGI targets**” and has no vacant units may initiate the following process:

1. Follow all Housing Provider and Household requirements and submit an application to ATH.



2. Obtain written permission from the Service Manager (Housing Administration Officer) to switch the unit from Market to RGI.
3. Once the household has been deemed eligible for RGI assistance and Service Manager approval is received, calculate RGI assistance and notify the household of the RGI rent payable effective the first day of the following month.
4. Notify ATH of the household's 'housed' status.

<https://www.hamilton.ca/sites/default/files/media/browser/2019-09-16/housing-market-to-rgi-in-situ-policy-and-ath-market-to-rgi-verification-form.pdf>

## **N2 Notices and Upcoming RGI Annual Renewal Requests**

We received feedback from our Housing Providers that the suspension of RGI annual renewals creates some logistical challenges in keeping track of the units affected and issuing annual N2 Notices. Since there is a requirement for 90-day notices of any rental increase, N2 Notices and *upcoming* annual renewal packages may be sent/mailed to Tenants according to regular procedures at this time. This applies to those Community Housing Providers who completed annual reviews prior to the beginning of the pandemic response March 14, 2020.

## **Delay of Capital Replacement Reserve Contributions**

**Upon request**, the City of Hamilton, as Service Manager, will consider allowing Housing Providers to delay their contribution to the Capital Replacement Reserves on a temporary basis. Some Housing Providers may see this as an option to assist with cash flow due to anticipated drops in revenues. Each Housing Provider may have a unique situation and should consult with their Housing Administration Officer to obtain permission and include a date by which the Housing Provider expects the contribution to be completed.

While the City of Hamilton's offices continue to be closed to the public and visitors, Housing providers are encouraged to contact their Housing Administration Officers if they require any clarification or would like to discuss Tenant/ Member specific cases.

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