

**DIRECTIVE**

**EFFECTIVE DATE: October 12/05**

**NUMBER: 2005-06**

The policies, procedures and County requirements in this Directive are to be implemented by housing providers that are funded under the following Programs, which are administered by the County:

Please note if your program is not checked, this Directive is not applicable to your project(s), and is for information purposes only.

|  |  |   |                              |
|--|--|---|------------------------------|
|  | Federal/Provincial Non-Profit Housing Program              |   | Federal Programs             |
|  | Ontario Non-Profit Housing Programs                        |   | Urban Native Programs        |
|  | Federal/Provincial & Ontario Co-operative Housing Programs | ✓ | Municipal Non-Profit Program |
|  | Simcoe County Housing Corporation                          |   | Rent Supplement Programs     |

**SUBJECT: 2006 MINIMUM MARKET RENT for MUNICIPAL NON-PROFITS  
(Section 95)**

Starting with the 1997 fiscal year, the ministry developed an annual rent inflation factor, which is to be used in the calculation of subsidy for projects subsidized under the municipal non-profit program (1978-1985). The rent inflation factor is used to determine the minimum market rent that is expected to be charge. If a non-profit corporation does not increase market rents by this inflation factor, it will be subject to a reduction in subsidy. This notification applies to municipal non-profit corporations whose projects are now under administration by local service managers. The information is to be used to calculate minimum market rent levels.

**PROCEDURE**

The applicable rent inflation factor, from the attached 2006 list, is inserted on line 441, page 3a, of the municipal non-profit operating budget form 819 (01/95). When used in the budget, the factor is expressed as 1 plus a decimal number (e.g. 2.1% would be expressed as 1.021). The rent inflation factor is then multiplied by the actual market rents charged in 2005 to determine the minimum market rent for 2006.

If a corporation feels that it cannot charge market rents at this minimum market level, an application may be made to the service manager for an exemption when the 2006 budget is submitted. The application must include supporting evidence to clearly demonstrate the inability to charge the minimum market rent.

### **ACTION REQUIRED**

Municipal non-profit housing corporations (1978-1985) are to use the attached 2006 rent inflation factors to determine the minimum rent level for the 2006 market rents.

If an exemption from the minimum market rent level is required, an application must be submitted with the 2006 budget. The application must include evidence to clearly support the inability to charge the minimum market rent.

Please contact you Program Supervisor if you have any questions.

Attachment: 2006 Rent Inflation Factors