

DIRECTIVE

EFFECTIVE DATE: November 15, 2006

NUMBER: 2007-03

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.

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**SUBJECT: 2007 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 2007 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 2006 to determine the minimum market rent for 2007.

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 2007 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 2007 rent inflation factors to determine the minimum rent level for the 2007 market rents.

If an exemption from the minimum market rent level is required, an application must be submitted with the 2007 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: 2007 Rent Inflation Factors