



SOCIAL HOUSING POLICIES



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| DIVISION: | Social and Community Services | | |
| POLICY SECTION: | Social Housing | EFFECTIVE DATE: | 9/26/2014 |
| SUBJECT: | Housing Providers – Income Averaging – Rent Geared to Income Assistance | | |
| POLICY NUMBER: | 2014 – NP – 03 | SUPERCEDES: | 2002-09 |

1. PURPOSE

1.1 This policy is intended for use by all County of Simcoe housing providers that operate a designated housing project under the Housing Services Act (HSA) 2011.

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Municipal & Private Non-Profit

Co-Operatives

Federal Non-Profit

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| ✓ |
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| ✓ |

Rent Supplement *

**including former OCHAP/CSHP*

CWL

Simcoe County Housing

1.2 This policy is intended for use to provide housing providers calculating formulas used for households where there is fluctuating income from month to month.

2. POLICY STATEMENT

2.1 The County of Simcoe, as service manager, has, under service agreements, delegated to housing providers the task of calculating the amounts of rent-geared-to-income (RGI) payable by their tenants/members.

3. REFERENCES

O. Reg 298/01 s. 50 (13), 53(2), 53(3).

4. SCOPE

4.1 If the housing provider has reason to believe that the adjusted family income of a household fluctuates from month to month, the housing provider in calculating the amount of rent geared to income payable by the household, **may use** the average monthly adjusted income of the unit over a period of 3 months.

5. PROCEDURES

5.1 Tenants/members who start to earn income that fluctuates are required to report their income monthly for the first three months, thereafter, tenants /members are required to report and verify income quarterly for the proceeding three months. Fluctuating income is income that changes from month to month whether or not the source of income changes. This can be income such as seasonal, occasional workers, self-employment. Verification of income may be in the form of a letter of estimate of earnings based on an employer's letter that must be signed by the employer and on company letterhead, or by way of paystubs and or statements. Income from self employment will be verified by financial statements. Note: this does not apply to income from Ontario Works or Ontario Disability Support Program.

Only the tenant/member whose income is fluctuating in the household must be verified. Verification of any portion of the household that does not fluctuate will be required annually.

5.2 When the change results in an **increase** in the amount of RGI payable by the household, the rent/housing charge **increase** will take effect on the first day of the second month following the month in which the change occurred. When an average of three months income is used to determine RGI, the **increase** will take effect on the first day of the second month following the last month in the period for which the income was averaged.

5.3 When the change results in a **decrease** in the amount of RGI payable by the household, the rent/housing charge **decrease** will take effect on the first day of the month following the change. When an average of three months income is used to determine RGI, the **decrease** will take effect on the first day of the month following the last month in the period for which the income was averaged.

5.4 If there is a change in the source of income where the income increases or decreases drastically, the rent **may** be recalculated more frequently then every three months.

5.5 Even when income is averaged, the household needs to continue to report changes in income.

Example:

For the last three months, the tenant/members gross employment earnings were \$350, \$540 and \$880. The monthly RGI rent/housing charge is calculated as follows:

$\$350 + \$540 + \$880 = \1770 divided by 3 months = an average monthly income of \$590.
 $\$590 - \75 (employment deduction) = \$515 multiplied by 30% = \$154.50 rounded to the next highest dollar amount of \$155.00.

5.6 Contact your Program Supervisor with any questions or concerns.