

Housing Corporation Act R.S.P.E.I. 1993 Cap. H-11.1	Program	Family Housing
	Subject	Rent Supplement
Effective Date: May 27, 2013		Authorized by:
Revised Date:		Deputy Minister, Carol Anne Duffy

## 1.0 PURPOSE

- 1.1 Rent supplements are an alternative method of providing low income housing by using private housing stock.

## 2.0 DEFINITIONS

- 2.1 **Approved Applicant:** a family which has applied to the Family Housing Program and has been approved for Family Housing.
- 2.2 **Core Housing Need:** households which are unable to afford shelter that meets adequacy, affordability and/ or suitability norms with available housing options. This includes persons living in crowded/ inadequate dwellings and/or persons required to spend 30% or more of gross income for shelter.
- 2.3 **Family Housing Authority:** a public housing authority established by the *Housing Corporation Act* to acquire, operate, and maintain family housing.
- 2.4 **Housing Services:** the department of Government which is responsible for the administration and delivery of housing for individuals or families of low income as required by the Housing Corporation Act.
- 2.5 **Landlord:** a lessor as defined by the *Rental of Residential Property Act*.
- 2.6 **Maximum Rent Levels:** maximum amount allowed for rent based on average shelter costs in a specific geographical area. Maximum Rent Levels depend on the number of bedrooms in a unit, and refer to unsubsidized rental dwellings where no rent is attributable to commercial space.
- 2.7 **Rent Supplement:** amount which is the difference between the tenant's rent and the market rent agreed to by Housing Services and the landlord. A rent supplement provides low income Islanders with assistance to access private market housing for safe and affordable accommodations in geographical areas of greatest need

2.8 **Tenant:** a lessee as defined by the *Rental of Residential Property Act*

### **3.0 POLICY STATEMENT**

3.1 Housing Services enters into a lease agreement with the landlord of the building and pays the agreed upon monthly rent directly to the landlord. In turn, Housing Services sublets the units to approved applicants selected from the Family Housing waiting list. Tenants are charged rent, payable to Housing Services, on the basis of the Family Housing rent policy.

3.2 Applicants who wish to be considered for a rent supplement must apply to the Family Housing Program and be approved for Family Housing. Applications for a rent supplement will be assessed for eligibility using the same criteria and procedures that are used for all other applications to Family Housing and include the following:

- Family size
- Income
- Housing costs
- Housing situation
- Applicant responsibility

#### **Tenant Selection**

3.3 Applicants will be required to complete an Income and Rent Determination Form and upon completion of eligibility assessment by Housing Services, the approved applicant with the highest priority score will be offered the next available rent supplement.

3.4 Persons with disabilities will be prioritized for accessible units.

3.5 Tenants presently living in a Family Housing unit are not eligible for a rent supplement unless the existing unit no longer meets the tenants' health needs or family composition.

3.6 In the event an approved applicant with the highest priority score declines a rent supplement without a valid reason, the approved applicant will be removed from the waiting list and the application cancelled. Where the reason for decline is deemed valid by Housing Services, the declined offer will not affect the priority of the approved applicant for future vacancies.

#### **Unit Designation**

3.7 Rent supplement units may be included in housing operated by:

- Private owners
- Non-profit corporations
- Co-operatives

- 3.8 Criteria for the designation of rental housing units for a rent supplement shall include but not be limited to:
- Monthly rent for the unit must be equal to or less than a maximum amount identified in section 3.9.
  - Unit must meet reasonable property standards and must be in compliance with relevant provincial and municipal legislation.
  - Housing Services may restrict the number of units designated within any one building or owned by any one landlord.
- 3.9 Housing Services will apply the Canadian Mortgage and Housing Corporation semi-annual survey to determine maximum rent levels for fully serviced units. The maximum rent levels for fully serviced units (i.e. heat, water, hot water, stove and refrigerator) are available on the website at [http://www.gov.pe.ca/photos/original/CMHCRN\\_OCT12.pdf](http://www.gov.pe.ca/photos/original/CMHCRN_OCT12.pdf).
- 3.10 Approved applicants presently residing in rental units which meet the designation criteria as defined in 3.8 will be given the opportunity to have the existing units designated as eligible for a rent supplement.
- 3.11 Approved applicants will be informed of the unit criteria for rent supplement eligibility and advised to contact Housing Services when an eligible unit has been located.
- 3.12 Prior to being designated as a unit eligible for a rent supplement, all units deemed acceptable by the approved applicants will be inspected by Housing Services to ensure that all designation criteria have been met.
- 3.13 If a tenant moves to another rental unit, the rent supplement is not transferrable unless approved by Housing Services.

### **Rent Calculation**

- 3.14 The lease rent for tenants occupying designated rent supplement units is calculated in accordance with Section 3.1.
- 3.15 The monthly rent will be adjusted when it includes items which are not eligible for the rent supplement such as electricity or cable television.
- 3.16 The household income of tenants will be reviewed annually, or more often if deemed necessary, to ensure the supplement is adjusted for any change in income. Changes to the supplement must be greater than \$10 to be effective.
- 3.17 Tenants receiving a rent supplement must notify Housing Services within 30 days of any significant change to the household annual income (increase or decrease) and/ or family composition.

- 3.18 Where a tenant fails to report changes to household income or family composition within 30 days and results in a tenant owing money to Housing Services, a repayment agreement will be made. The tenant will continue to receive a rent supplement pursuant to compliance with the rent payment agreement.

### **Lease Agreement**

- 3.19 In order to ensure the unit is suitable, tenants shall be given the opportunity to tour the unit with the landlord before signing a sublease agreement with Housing Services. The sublease agreement between Housing Services and the tenant is the standard Family Housing lease. The preferred term of the lease agreement is month to month.
- 3.20 A Move-In Inspection Report will be completed by the landlord, tenant and Housing Services

### **Agreements with Landlords**

- 3.21 Housing Services will only pay rent from the date of occupancy of the unit.
- 3.22 The lease agreement between Housing Services and the landlord will be the Standard Form of Rental Agreement prescribed by the *Rental of Residential Property Act*. Housing Services will pay the landlord the agreed upon rent by the first day of each month during the term of the agreement.
- 3.23 Other than payment of the rent by Housing Services, the standard landlord-tenant relationship will exist:
- The landlord is expected to keep the premises in a regular state of repair and upkeep, i.e. the property should undergo a regular cycle of maintenance and be in compliance with industry health and safety standards.
  - Tenants are expected to exhibit the good behavior that is regularly expected of rental unit occupants, i.e. ordinary cleanliness of the unit's interior and a manner of conduct that does not interfere with the quiet enjoyment of other renters.

### **Termination of Agreements**

- 3.24 Eviction of a tenant is a serious matter and will only be considered when all other options have been exhausted. However, if a tenant exhibits behavior that the landlord deems serious or repetitive enough for eviction, the landlord may terminate the lease agreement.
- 3.25 When issues arise which may lead to eviction, the landlord shall contact Housing Services to advise of the situation. Housing Services will contact the tenant and advise that the behavior may affect occupancy.

## **Tenant Absences**

- 3.26 Tenants are eligible for a rent supplement only when the tenant is residing in the assigned unit. If a tenant leaves the rental unit for more than 30 days, notification must be made to Housing Services. In special circumstances, i.e., a medical emergency, the rent supplement may be continued up to a maximum of 60 days for extended absences.
- 3.27 Tenants are not permitted to sub-let rent supplement units.

## **Tenant Damages**

- 3.28 Housing Services will not pay damage deposits on rent supplement units
- 3.29 Excepting normal wear and tear, Housing Services is responsible for any damage to a unit caused by a tenant up to a maximum amount equal to one month's rent for that unit. Housing Services will cover the cost of any repairs caused by tenant neglect or abuse and will endeavor to recover the costs from the tenant.
- 3.30 Housing Services will not pay for any damages where the landlord should have been insured against the loss. When Housing Services is requested to pay for a repair, the landlord must contact Housing Services before any work is started. Housing Services will inspect the unit, reference the Move-In Inspection Report and discuss the cost of proposed repairs with the landlord.
- 3.31 Reasonable costs may be less than the full amount, depending on the life expectancy of the item, and may include:
- **Painting:** If repainting is required, Housing Services will only pay a prorated portion based on the landlord's painting cycle. For example, if the unit requires painting in the third year of a four year cycle, Housing Services will pay only 25% of the cost.
  - **Hardwood Floors:** prorated on an eight-year cycle.
  - **Countertops/Carpets:** prorated on a ten-year cycle.
  - **Appliances:** prorated on a ten-year cycle.
- 3.32 Tenants are required to provide confirmation of tenant liability insurance at time of signing a lease and annually thereafter. Failure to do so will result in loss of rent supplement.
- 3.33 The landlord may decide whether to allow pets and what kind of pets are permissible in a designated unit. However, Housing Services will not be responsible for any damages caused by a tenant's pet.

## **4.0 PROCEDURE STATEMENT**

*(For internal use only)*

## **Documentation**

### 4.1 Client File should include:

- Standard Form of Rental Agreement
- Tenant Sub-Lease Agreement
- Move-In Inspection Form
- All documents pertaining to the application process
- Consent to Share Information

## **5.0 REFERENCES**

*Rental of Residential Property Act, R.S.P.E.I 1993, Ch R-13.1.*