

Housing Division Notice

Date: September 27, 2004

HDN# 2004 - 74

This applicable legislation/policy is to be implemented by the housing provider(s) under the following programs:

Please note if your program is **not checked**, this change is **not applicable** to your project.

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

Federal Non-Profit Housing Program (Section 95 Only)

Private Non-Profit Housing Program

Co-operative Non-Profit Housing Program

Municipal Non-Profit Housing Program (Pre-1986)

Local Housing Corporation

Subject: RENT INFLATION FACTOR TO BE USED IN THE CALCULATION OF MINIMUM MARKET RENT IN 2005 FISCAL YEAR.

Background:

Starting with the 1997 fiscal year, the Ministry of Municipal Affairs and Housing 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 charged. If a non-profit housing provider does not increase market rents by this rent inflation factor, it will be subject to a reduction in subsidy.

Procedure:

The Rent Inflation Factor for London and the remainder of Middlesex County of 1.015 is inserted on Line 441, page 3A, of the Municipal NP Operating Budget Form 819 (01/95). The Rent inflation Factor is multiplied by the actual market rents charged in 2004 to determine the Minimum Market Rent for 2005.

If the provider feels that it cannot charge market rents at this Minimum Market Rent level, an application may be made to the Service Manager for an exemption when the 2005 budget is submitted. The application must include supporting evidence which clearly demonstrates the inability to charge to Minimum Market Rent.

Action Required:

- Municipal Non-Profit Housing Providers (1978-1985) are to use the attached 2005 Rent inflation Factors to determine the Minimum Market Rent level for the 2005 market rents.
- If an exemption from the Minimum Market Rent level is required, an application must be submitted along with the 2005 budget to the City of London Housing Division. The application must include evidence to clearly support the inability to charge Minimum Market Rent.

Louise Stevens
Director of Housing

Attachment

2004 Rent Inflation Factors

<u>Southwestern Region</u>	<u>Apartments</u>	<u>Townhouses</u>
London # & W	1.015	1.015
Remainder of Middlesex County	1.015	1.015