

Authority

Under the authority of the *Housing Services Act, 2011 (HSA)* and its Regulations, each Service Manager is required to develop Local Rules. The Service Manager procedures and requirements in the Local Rule are to be implemented by all Housing Providers in Cornwall and Stormont, Dundas and Glengarry (SDG) operating under the *Housing Services Act, 2011*.

Intent

The intent of this Local Rule is to identify asset limits and to identify the potential impact this can have on a household's eligibility to receive RGI or rent supplement assistance. No person is eligible for RGI or rent supplement assistance (or any other housing program where an individual must be eligible to be on the waitlist) if his/her non-exempt assets, and the non-exempt assets of his/her dependents, exceed the allowable asset limits.

Local Rule

The asset limit for a single person is \$50,000.

The asset limit for a household with 2 or more people is \$75,000 for the household.

Subsection 35(5) of Ontario Regulation 367/11 excludes certain assets from consideration under the local asset limits. In addition compensation payments and retirement savings plans excluded under the former Social Housing Reform Act (SHRA) or local asset limits continue to be excluded under the new asset limits.

All excluded assets are listed for reference in the attached Appendix A.

Asset limits apply to all rent supplement applicant, RGI applicants, RGI tenants and RGI co-op members (or any other individual applying for a housing program where an individual must be eligible to be on the waitlist).

1) Registry / Waitlist / Annual Update

In order to determine if a household is eligible to be placed on the social housing waitlist, the value of all non-exempt assets will be reviewed to determine if the household is below the asset limit.

2) On Offer – Housing Provider

At time of offer by the Housing Provider, the Housing Provider will review the value of all non-exempt assets to determine if the household is below the asset limit.

Local Rule

3) Acquisition of Non-Exempt Assets

Current Tenants

Current tenants must, within thirty (30) calendar days, advise the Housing Provider of the acquisition of assets that exceed the asset limit. Once notified, the Housing Provider will need to review the assets to determine if the tenant remains eligible under the asset rule. If they do not meet the asset limit, they would be required to pay maximum rent.

The household is still considered to be a rent-geared-to-income household (for 12 months) and RGI assistance would be reinstated if they now fall below the asset limits.

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After 12 consecutive months of paying the maximum rent the household becomes a market rent household, and is no longer a rent-geared-to-income household. The housing provider must give notice of the loss of RGI eligibility and the right to a review at the end of the 12 months. If the household requires a subsidy in the future, they must reapply for RGI through the centralized waiting list. If they wish to stay in the same housing project, the service manager may give their application priority.

Transfer/Disposal of Assets

When a household disposes of assets, the Service Manager/Provider can still undertake a determination regarding both the adequacy and the intent of the disposal. If the Service Manager/Provider determines that the assets were disposed of inadequately (i.e., for less than fair market value) or for the purpose of qualifying for RGI assistance, the Service Manager/Provider must proceed to deem the household ineligible for the waitlist or RGI assistance as per above.

Fair market value means the money that would have been received if the asset(s) were sold in a competitive situation, taking into consideration the conditions of the market and the attributes of the asset, such as age, condition (e.g., operational status), demand for and location of the asset.

When non-exempt/exempt assets are transferred to exempt assets (ie, inheritance to a pre-paid funeral) the new exempt asset will not be considered when determining eligibility. When exempt assets are transferred to non-exempt assets (ie, inheritance to a bank account then that non-exempt asset will be considered for the purposes of determining eligibility.

When an improper transfer of assets has occurred, the transferred assets may be considered non-exempt.

Historical Information

These asset limits come into effect August 1st, 2017 and will apply when reviewing all new applications.

For existing households that are RGI tenants/co-op members on/or before August 1st, 2017 and also had assets in excess of the limits stated above, they will remain eligible for RGI assistance until their next annual review after August 1st, 2018. If they remain over the asset limits after that date, they will be given 90 days notice and advised that they no longer qualify for RGI assistance due to assets in excess and would go to market rent on the first month following the 90 day notice.

If tenants are deemed ineligible for assets in excess, they may reapply for Social Housing, after such time as their assets drop below the asset limits indicated above.

When a transfer of assets to a dependent child has occurred, the transferred assets may be considered non-exempt.

NOTE:

On a case-by-case basis, the Provider may request a review of household assets, for up to 3 three years before the granting of RGI assistance, if they have reason to believe that such review is warranted.

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Divestment of Property

See Service Manager Local Rule # 8

References

Housing Services Act, s. 42 (2)

Ontario Regulation 367/11, s. 59, 61

Local Audit Requirements

Completed by:

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Signature

Date: September 17th, 2019

Approved by:

Stacey Ferguson



Signature

Date: September 17th, 2019

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Appendix A – Excluded Assets

1. The value of the interest of a member of the household in a motor vehicle that is not used primarily for the operation of a business by a member of the household, subject to subsection (6).
2. The value of tools of a trade that are essential to the work of a member of the household as an employee.
3. The value of assets of a member of the household that are necessary to the operation of a business that the member operates or has an interest in, subject to subsection (7).
4. The value of a prepaid funeral.
5. The cash surrender value of a life insurance policy, subject to subsection (8).
6. The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
7. If a member of the household has received a payment under the *Ministry of Community and Social Services Act* for the successful participation in a program of activities described in paragraph 9 of section 26 of Ontario Regulation 134/98 (General) made under the *Ontario Works Act, 1997*, the value of any portion of that payment that, within a time that is reasonable in the opinion of the service manager, will be used for the member's post-secondary education.
8. The value of funds held in a Registered Education Savings Plan, as defined in section 146.1 of the *Income Tax Act* (Canada), for a child of a member of the household.
9. The value of the clothing, jewellery and other personal effects of a member of the household.
10. The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business.
11. The value of the beneficial interest in a trust of a member of the household who has a disability if the capital of the trust was derived from an inheritance or from the proceeds of a life insurance policy, subject to subsection (9).
12. The value of funds held in a Registered Disability Savings Plan, as defined in section 146.4 of the *Income Tax Act* (Canada), if the beneficiary of the plan is a member of the household.

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13. The value of funds held in an account of a member of the household in conjunction with an initiative under which the service manager or an entity approved by the service manager commits to contribute funds towards the member's savings goals. O. Reg. 367/11, s. 35 (5).
14. The value of a Registered Retirement Income Fund (RRIF).

