

Housing Co-operative Inc.


Occupancy


Housing Charge Subsidy By-law

By-law # 36

Date Approved by the Board of Directors: Dec 12, 2012

Date Confirmed by the Members: August 27, 2013

  
President

  
Secretary

Repeal By-Law # 7

**Co-operative Inc.**  
**HOUSING CHARGE ASSISTANCE BY-LAW**  
**BY-LAW NO. 36**

This by-law sets down provisions that relate to the allocation by the Co-op and the rights and responsibilities of members receiving assistance. Requirements relating to the program application process, daily administration, Co-op reporting, etc. are not incorporated. The Section 95 Agreement should be consulted concerning these requirements. In the event that there is a conflict between the provisions of this bylaw and the Section 95 Agreement, the Section 95 Agreement will prevail. In the event that there is a conflict between this by-law and the Occupancy By-law, the Occupancy By-law will prevail.

**ELIGIBILITY REQUIREMENTS:**

All applicants must meet the following eligibility requirements;

- 1.1 Only applicants for whom the market housing charge (excluding utilities) equals more than 26% (twenty six per cent) of their adjusted gross monthly household income are eligible for geared-to-income assistance. The board may adjust this ratio up to 35% in order to deal with a decline of income tested assistance available from Canada Mortgage and Housing.
- 1.2 Applicants must be Canadian citizens, permanent residents of Canada or a refugee claimant.
- 1.3 Applicants who are given residency in the Co-op as full housing charge members must reside in the co-op for a year before an application will be accepted.
- 1.4 A household must require a minimum of \$100.00 per month in housing charge assistance to be eligible.

**2. OCCUPANCY GUIDELINES:**

- 2.1 Applicants receiving housing charge assistance must meet the following occupancy guidelines, except as described in Article 2.2 or 2.3:
  - a) A maximum of two people per bedroom may occupy a unit.
  - b) A minimum of one person per bedroom may occupy a unit.
  - c) A minimum and maximum of one person may occupy a bachelor unit.
- 2.2 If a household receiving assistance ceases to have the household size appropriate for the unit as set out in 2.1, the member will be offered, in writing, the first unit of appropriate size that becomes available. If the household refuses the first unit offered, a surcharge equal to the difference between the current unit and an appropriately sized unit will be added to the Assisted Housing Charge two months

after such refusal. This two month period will begin on the first day of a calendar month.

- 2.3 If a household is on the internal waiting list for the next available appropriate sized unit, they will continue to receive the full level of assistance on the current unit until a unit of appropriate size is offered.

### **3. DEFINITION OF INCOME:**

For the purposes of setting geared-to-income housing charges, the definitions of income contained in "Appendix A" attached shall be used. Only the following types of income shall be **excluded** for the purpose of calculating housing charges:

- 3.1 Earnings of children in full-time, regular attendance at recognized institutions of learning; funds for tuition, such as scholarships, bursaries and contributions from non-resident family members.
- 3.2 Living out or travelling allowances of a family head
- 3.3 Earnings of a working spouse up to \$900.00 per annum.
- 3.4 Income from any source, other than social assistance payments, of a one-parent family up to \$900.00 per annum.
- 3.5 Earnings of all members of the household other than the family head or spouse up to \$900.00 per annum. This will include persons related by blood, marriage or adoption to other persons who may reasonably be assumed to be part of the household.
- 3.6 Capital gains, such as insurance settlements, inheritances, disability awards, sales of effects. These will be excluded if they are received in a lump sum payment.
- 3.7 Child Tax Credit or Goods and Services Tax Rebate.

### **4. ANNUAL VERIFICATION OF INCOME:**

- 4.1 Members receiving housing charge assistance shall provide the Co-op with a signed declaration of gross income, assets and household size and composition annually. Each member shall promptly report to the co-op, in writing, any change in any of the information given.
- 4.2 The manager shall determine the actual amount of subsidy to which the member was entitled during the previous calendar year, and if that amount is different from the amount of subsidy granted during the year, the difference shall be adjusted as follows:



- 4.3 In the event that members have received more subsidy than they were entitled to then the amount of the overpayment shall:
- (a) if less than \$300, the amount does not need to be repaid.
  - (b) if from \$301 to \$1000, shall be repaid in three consecutive monthly installments together with the housing charges due in the three months following notification by the Manager; or
  - (c) if more than \$1000, shall be repaid in six installments with the six next payments of monthly housing charges due after notification by the Manager.

## **5. MID-YEAR CHANGES IN INCOME:**

- 5.1 **Increases in Income:** All mid-year increases in gross household income must be reported to the co-op and a new application completed within 30 days of the change. The assistance allocation will be adjusted if the increase in income is more than \$100.00 per month or, in the case of members receiving social assistance, if there is an increase in the shelter component.
- 5.2 **Notice of Increase:** The increase will be affected on the first day of the third month following the change.
- 5.3 **Decreases in Income:** Housing Charges shall be adjusted mid-year if there is any available income tested assistance funds available when a member reports a decrease in household income. If the income returns to a higher level within the same year, the member shall report such an increase promptly and the housing charge shall be adjusted on the first day of the third month following the change.
- 5.4 **Guests:** The income of any guest(s) who stay in a subsidized unit for longer than 90 days must be reported as an increase in the gross household income at the end of the 90-day period.
- 5.5 **Available Funds:** All allocations will be subject to fund availability. If funding is unavailable, applications will be place on an internal waiting list.

## **6. CALCULATION USED TO DETERMINE MONTHLY HOUSING CHARGE:**

One of the following three methods shall be used to determine the housing charge prior to making any adjustments.

- 6.1 Thirty per cent (30%) of the adjusted gross monthly household income for households with income other than social assistance. The board can adjust this ratio to up to 35% to deal with a decline in the amount of income tested assistance available.

- 6.2 The Shelter component of the social assistance benefit as stated on the recipient's benefit cheque stub providing it is greater than 30% of the adjusted gross monthly income as set out in the Section 95 agreement.
- 6.3 A minimum of \$300.00 if the household is not receiving any form of income as defined by this by-law

7. **ADJUSTMENT (S) TO MONTHLY HOUSING CHARGE:**

- 7.1 Adjustment for Children under the Age of 16: A deduction of \$2.00 per child under the age of 16 will be allowed.
- 7.2 Cable Television or other services Adjustment: Where applicable, when the co-op pays for a service in bulk such as cable, the Board will review this cost and add an amount to the member(s)' adjusted housing charge. The amount to be used for this adjustment will be approved by the Board of Directors.

8. **WAITING LIST:**

- 8.1 Internal Waiting List:
- (a) A waiting list will be established consisting of Co-op members who meet the Eligibility Requirements set out in Article 1 and the Occupancy Guidelines set out in Article 2. This waiting list will always have priority over the external list.
  - (b) Priority for allocation of assistance will be based on date of application.
  - (c) If a member moves into the Co-op, after demonstrating an ability to pay the full housing charge, an application for housing charge assistance will not be accepted for a period of one year. The Board of Directors may waive this waiting period if they decide the situation is one of great and unforeseen hardship.
  - (d) If a member moves into a household in the Co-op which is receiving housing charge assistance, an application for assistance will not be accepted from the member for a period of two years after the occupancy if either of the following situations occur:
    - o The member moves into a different unit in the co-op.
    - o The household originally receiving the housing charge assistance no longer resides in the unit and leaves the new member occupying the unit.

The Board of Directors may waive this waiting period if they decide that the situation is one of great and unforeseen hardship.



- 8.2 External Waiting List: Separate waiting lists will be maintained for applicants not requiring housing charge assistance and for applicants requesting assistance. When assistance is available which is not required internally, it will be offered to the first household on the waiting list which requires assistance that is not greater than the total assistance dollars available at the time.

**9. FALSE DECLARATION OF INCOME:**

- 9.1 Where a household is discovered to have falsely declared its income or failed to report an increase in income, it will be required retroactively to reimburse the Co-op for assistance funds allocated to its account unjustifiably. Where the household refuses to reimburse the Co-op, eviction proceedings will be initiated.

**10. SUBLETTING AND ABSENCE FROM THE UNIT:**

- 10.1 Members receiving housing charge assistance may sublet or assign their units following the Co-operative's procedures for subletting and assignment. Subletters and assignees are not eligible to receive housing charge assistance.
- 10.2 Members receiving housing charge assistance that sublet or assign their unit are eligible to apply for housing charge assistance upon their return.
- 10.3 The member's subsidy ends when the member has not occupied a unit in the co-op for more than eight weeks. This applies whether or not the absence is permitted under the Occupancy By-law.

**11. APPLICATION AND APPROVAL PROCEDURES:**

- 11.1 Households applying for assistance must complete the Co-op's Housing Charge Assistance application form and provide required proof of income.
- 11.2 The Co-op Co-ordinator/Manager will determine household eligibility for assistance, administer the assistance waiting list(s), and calculate the amount of rent-geared-to-income housing charge. The Co-ordinator will report monthly to the board on the number of households receiving assistance, the total monthly amount of assistance allocated as well as the amount received each month from CMHC.

**12. TERMINATION PROCEDURES:**

- 12.1 Housing Charge assistance may be terminated for any or all of the following reasons:
- (a) an increase in income that disqualifies the household according to the co-operative's income eligibility guidelines as set out in section 1.1.

- (b) failure to report increases in household income within 30 days of any such increase;
- (c) failure to report the income of any guests staying longer than 3 months;
- (d) willful falsification of housing charge assistance application form or income verification;
- (e) failure to abide by the Housing Charge Assistance By-Law.

12.2 Where a household is being evicted, any assistance allocated will be terminated effective on the date at which the household is required to vacate the unit.

**13. APPEALS:**

13.1 Any member denied assistance or disputing the amount of assistance granted may appeal the decision to the Board of Directors. The board's decision is final.

**14. CALCULATION ERRORS:**

14.1 Errors that are discovered will be corrected if the error is discovered within the current fiscal year or before the financial statements are audited for that fiscal year.

## APPENDIX A – DEFINITIONS OF EARNED INCOME EARNED INCOME

### Summary

The various types of “earned” income are organized in alphabetical sequence as follows:

### Business Income: Self-Employed Applicants/Residents:

Where the applicant/resident owns a company or business, income will be the greater of:

- (a) the net income from the business as reflected in the company’s most recent audited statement, or
- (b) recent tax return and notice of assessment, or
- (c) total withdrawals from the company over the previous 12-month period which were in the form of personal salary.

Where the applicant/resident derives self-employment income from independent or non-company related services, such as child/day care, tutoring, child care, music teaching, taxi driving, etc., the actual amount received or anticipated to be received during the 12 month period following admission/verification, should be included as income for subsidy purposes.

### Bonuses/Incentive Pay:

Bonuses or incentive payments are to be included as income for the year received and should be averaged over a 12- month period in determining the monthly income amount.

### Commissions:

Commissions received, less deductions allowed by Canada Revenue Agency (C.R.A.) for expenses incurred, are to be included as income.

Where commissions are part of the income structure, the applicant/resident should be requested to provide the amount of projected commissions for the coming 12-month period.

Note: These projections can usually be verified with the employer.



**APPENDIX A – DEFINITIONS OF EARNED INCOME**  
**EARNED INCOME (Continued)**

Employment/Salary:

The gross amount received on a monthly basis and in the form of salary, is to be included as income. Where an applicant/resident declares an income other than monthly salary amount, the following formulae should be used in determining the monthly amount:

- |                           |                                |                    |
|---------------------------|--------------------------------|--------------------|
| (a) Annual Earnings       | divided by 12 (months)         | = Monthly Earnings |
| (b) Semi monthly Earnings | multiplied by 24 divided by 12 | = Monthly Earnings |
| (c) Bi-weekly Earnings    | multiplied by 26 divided by 12 | = Monthly Earnings |
| (d) Weekly Earnings       | multiplied by 52 divided by 12 | = Monthly Earnings |

Gratuities/Tips:

The normal amount received on a monthly basis in the form of gratuities or tips is to be estimated and included as income.

Overtime:

Where the applicant/resident normally received overtime pay and is expected to continue receiving this pay on a fairly consistent basis, the amount received over the previous 12-month period should be divided by 12 in order to determine a monthly income amount.

Note: Where this method is used, it is a good practice to verify after a few months, that the monthly estimate was realistic in order to avoid any substantive over/under charges.

Part-Time Earnings:

Amounts received from part-time employment are to be included in the income declaration.

Seasonal/Irregular Earnings:

Income received from seasonal or irregular employment is to be included as income. The total amount received for the previous 12-month period should be divided by 12 in determining a monthly amount.

Work Incentive Programmes:

For recipients of social assistance taking advantage of a work incentive programme, the total amount of the earned income, social assistance, and income from any other source should be included in the gross household income.

## UNEARNED INCOME

### Summary

The various types of "unearned" income are organized in alphabetical sequence as follows:

#### Accident Compensation:

The gross amounts received as follows are to be included as income:

- (a) monthly workers compensation payments, and/or
- (b) monthly insurance compensation payments.

The following annuities are to be considered as income:

- (a) life annuities,
- (b) fixed term annuities,
- (c) registered retirement income fund payments,

#### Assets/Investments: Income Yielding:

Income received from assets is to be included as income. This would encompass dividends paid on stock/investment paper, and interest received on a regular basis from:

- (a) savings accounts,
- (b) stocks and bonds,
- (c) debentures,
- (d) bank deposits, or bank notes, or term deposits,
- (e) trust accounts,
- (f) mortgages or loans,
- (g) all other income-bearing assets/investments.

Where income is received from these assets, it should represent a reasonable rate of return. If it does not, however, the Board of Directors should establish a policy for determining what a legitimate assigned income would be.

For example, where the interest income, derived from a loan, is set at an unrealistically low rate, the Board may wish to assign a more reasonable income for the asset.

## UNEARNED INCOME (continued)

### Attendance Allowance:

The amount received as Attendance Allowance is not to be included as income. This allowance is normally received by the spouse of a disabled veteran in lieu of nursing services.

### Capital Gains:

Capital gains are not to be included as income. These include:

- (a) lottery winnings,
- (b) death benefits,
- (c) retirement settlements (lump sum),
- (d) severance pay (lump sum),
- (e) workers' compensation lump sum settlements,
- (f) insurance pay-out (lump sum)
- (g) tax credits,
- (h) inheritances (lump sum),
- (i) court awards in the form of lump sum,
- (j) proceeds of the sale of personal effects (i.e. furniture, automobiles, real estate, etc.) or the sale of securities,
- (k) other payments received in the form of lump sum settlements.

Note: While the amounts received as "Capital Gains" are not recognized as income, once invested, the returns from such investments are to be considered as income. See "Assets/Investments: Income and Non-Income Yielding."

### Family Allowances:

Family Allowances (i.e. Child Tax Credits) should not be included as income.

### Foster Children Allowances:

Households in receipt of allowances for foster children have the following option:

1. to include payment received as income and to then receive a deduction from the monthly housing charge of \$2.00 per child or
2. to not include the amount of allowance received as income. This would then mean that there would be no deduction from the monthly housing charge.

### Pension:

Income received in the form of pensions are to be included as income. This includes Canada Pension Plan (CPP), Guaranteed Annual Income System (GAINS) and Old Age Security (OAS), (which include Guaranteed Income Supplement (GIS)).



## UNEARNED INCOME (continued)

### Scholarships and Bursaries:

Amounts received in the form of scholarships, bursaries or tutorials are not to be included as income.

### Social Assistance Benefits:

Income received in the form of Family Benefits Allowance, e.g. Ontario Works or Ontario Disability Support Program.

### Student Grants:

Amounts received for living expense portions of Student Grants are to be included.

### Support Payments:

Alimony, separation or support payments are to be considered as income.

Since it is recognized that there may be difficulty in obtaining these amounts, when it is evident that a household may be in receipt of such support payments(s), the legal documentation should be requested. The family court case worker should be requested to provide this documentation.

In those circumstances where, even though legally required, it is evident that payments are not being received, the Co-op's Board of Directors may, after assessment, decide to override this guideline.

### Travel/Living Out Allowances:

Travel or living out allowances are normally the reimbursement of actual expenses and for that reason should not be considered as income.

In other situations, however, where it is evident that such allowances are over and above the salary base and do not necessarily reflect a reimbursement of expenses, the Co-op's Board of Directors should make an individual assessment in determining an equitable approach.

### Employment Insurance Benefits (E.I.):

The gross amount received in the form of Employment Insurance Benefits is to be included as income.

Applicants/residents who are unemployed and in receipt of these benefits should be placed on a month-to-month review. This allows the flexibility to adjust housing charges in accordance with changes in income.

**APPENDIX B**  
**ACCEPTABLE FORMS OF REQUIRED INCOME VERIFICATION**

<b><u>SOURCE OF INCOME</u></b>	<b><u>VERIFICATION REQUIRED</u></b>
EMPLOYMENT INCOME	A letter from your Employer stating your salary before deductions, total number of hours worked per pay period, frequency of pay period (weekly, bi-weekly, semi-monthly)  and six (6) consecutive pay stubs.
SEASONAL EMPLOYMENT	A copy of your most recent income tax return with all applicable schedules and a copy of the notice of assessment when received.
E.I.	Letter stating the weekly benefit and start of benefits
SOCIAL ASSISTANCE	A letter from your worker indicating the maximum shelter component for household size and number of dependants. and/or Benefit Stub with dependents portions
PENSION	A letter from the appropriate source indicating the total received before deductions. and/or Benefit Stub
SELF EMPLOYED	Same as seasonal and/or a statement from a chartered accountant indicating Net Business Income or total withdrawals from the business for salary in the last 52-week period.
STUDENTS (18 years or older)	Proof of full time enrollment in school.
CHILD SUPPORT/ALIMONY	A legal document from a lawyer or Court Order Alimony from Family Court.
RENTAL INCOME	Copies of cheques or written agreements made for any rental property which income is received from.

**APPENDIX B**  
**ACCEPTABLE FORMS OF REQUIRED INCOME VERIFICATION**  
**(continued)**

**SOURCE OF INCOME**

**VERIFICATION REQUIRED**

INCOME YIELDING

Bank Statements or tax forms relating to dividends or interest paid on Assets, stock/investments, savings accts, bond debentures, bank deposits, or notes, trust accounts. **Do not include first \$1,000.00 of each household's total assets in bank accounts when you calculate the RGI assets**  
Affidavit confirming that no income is received.

NO INCOME

All income must be declared with the following exceptions:  
Family Allowance/Child Tax Credit, Capital Gains, Scholarships or Bursaries,  
Statutory Declarations can be signed by any Notary Public or Commissioner of Oaths.

**Important Note:**

**Gross income from all sources must be disclosed for all adult members of the household including all children not in full time attendance in school.**

**The co-op can request a certified copy of the a member's original tax return filed with Canada Revenue Agency in order to verify sources of income and to verify self-employment income.**



## **Schedule 1 Occupancy Standards**

For all unit sizes, there cannot be more than one person to a bedroom except:

1. Two children may share a bedroom if mutually agreed to by the applicants and co-op.
2. A parent and child may share a bedroom if mutually agreed to by applicants and co-op.
3. Spouses will be assigned to one bedroom. However, if one or both spouses has a medically documented handicap, a couple may be assigned separate bedrooms.
4. Adults other than spouses may agree to share a bedroom.

Bachelor apartments are usually allocated to a single individual.

For all unit sizes, there must be at least one person to a bedroom except:

- Any member of a household who is disabled may require a separate bedroom to store equipment.
5. A household where children will be returning to the care of their parent(s) from the Children's Aid Society or by a court order. Verification from Children's Aid or a certified court order will be required by the co-op.
  6. A household where a parent has joint custody of a child (or children) will have this child (or children) counted as part of the household when determining occupancy requirements.
  7. Non-custodial parents with access rights may request an extra bedroom to house their children. The co-op may request verification by: a letter from the sole custody parent; a separation agreement; or other document the Board of Directors agrees to.
  8. Pregnant applicants may request an extra bedroom for their unborn child. The co-op may request medical confirmation of the pregnancy.

Canada Mortgage and Housing recognizes that variations in these standards may occur. The Board of the Co-op has the discretion to allow variations but these must be:

- considered on a case-to-case basis
- fully documented