

By-law No. 10

SUBSIDY ADMINISTRATION BY-LAW

Revised April 2010

C.M.H.C. REQUIREMENTS (IN THE OPERATING AGREEMENT)

1. **Who Qualifies for a Subsidy?**

Only residents for whom the breakeven housing charge equals more than 25% of their gross monthly income are eligible for a subsidy.

2. **Maximum Depth of Subsidy**

No resident may receive a subsidy greater than that for which they qualify according to the Federal Government's graduated housing scale (see attached).

3. **Income Verification**

All residents in receipt of a subsidy must verify their household income on initial application, and annually thereafter, on an anniversary date specified by the Co-op.

4. **Documentation Required for Income Verification**

This is specified in the Schedule 1 (attached).

5. **Member Selection**

15% of Co-op members must be housed on a housing-charge-geared-to-income basis, provided that there are sufficient fund.

Co-operative's Policies and Procedures

The Subsidy Program will be administered by the Manager and the Bookkeeper who will report to the Board of Directors.

Administration of Subsidy Policy

The Manager or the Bookkeeper will have the applicant fill out a subsidy form, determine the applicant's eligibility, calculate the subsidy amount and make a recommendation to the Board as to whether the applicant qualifies or not and if so, whether the funds can be allocated to the individual household. The Board will have final approval of all new applicants.

Eligibility Criteria

Subsidy dollars will be allocated proportionately to the following groups:

Priority 1 Special needs (modified units),

Priority 2 Families and seniors

Full time students with no dependants will not be eligible for a subsidy.

Definitions

A family shall be defined as a household with live-in dependants. A senior is an individual who is sixty (60) years or older. The Co-op may designate a group of people or a household as a "special need" and assign them priority for subsidy funds if their problem in finding decent affordable housing in the market place is exacerbated by (1) physical or mental handicaps; (2) age or (3) life crisis. The family head, for the purposes of calculating subsidy, will be the highest income earner in the household. The spouse, for the purposes of calculating subsidy, will be the second highest income earner in the household.

1. The Disposable Income Index

Gross adjusted monthly income (as defined by Canada Mortgage and Housing Corporation)

less the household's current housing charge

equals the disposable income per household

divided by number in household equals the disposable income index.

The lower the disposable income index, the higher the priority on the waiting list. A couple is defined as two (2) adults who would in the normal scheme of things share a bedroom for the purposes of sleeping.

Allocation of Subsidy Funds

PRIORITY FOR ALLOCATION

1. **Occupancy**

Allocation will be made on the basis of need as defined by the "Disposable Income Index".

2. **Minimum Subsidy**

The minimum subsidy to be allocated will be \$200.00 per month.

3. **Maximum Subsidy**

As defined by CMHC.

4. **Definition of Income**

The definition of income in the operating agreement with Canada Mortgage and Housing Corporation shall be used in calculating subsidy. See Schedule 3 (attached).

Assets/Investments:

1. Income Yielding

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

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

Note: There is no forgiveness to be applied to income yielding assets, i.e. all income from income-yielding assets should be included in the applicant's/resident's gross income.

2. Non Income Yielding

Generally, non-income yielding assets may be in the form of real estate, bank chequing accounts, etc. It may also be in the form of some type of investment or loan on which the receipt of interest or dividends has been deferred. Some examples are listed as follows:

- a) paid up life insurance; or
- b) equity in business interests that do not produce a return; or
- c) investments in precious metals (e.g. gold and silver); or
- d) investments in precious gems or expensive jewellery; or
- e) investments in expensive antiques (e.g. furniture or automobiles); or

f) investments in valuable art. (see also Assets Transferred.)

Money may also be tied up in investment papers which do not yield interest/dividends for a specified period of time (e.g. five (5) years).

3. The following guideline is to be used as a minimum determination of income and housing charge:

a) For non-income producing assets in excess of \$5,000 appraised value, an imputed rent of \$4 per \$1,000 worth of assets per month should be added to the basic monthly rent. The forgiveness of the first \$5,000 applies to the household. Couples, therefore, should not be given double forgiveness.

For Example

Total Value of Assets \$7,700.00
\$7,700.00 - rounded to \$7,000.00
minus \$5,000.00
equals \$2,000.00
2 x \$4.00 equals \$8.00 per month.

b) The valuation date for all non-income yielding assets should be the date of each lease renewal or each income verification.

4. **Changes in Income**

Subsidy recipients are required to report and supply new proof of income for income changes of \$200.00 per month or more. When a change of income will result in a change of subsidy level, the following policy will apply:

a) **Increases**

Where an increase in income results in an increase in the housing charge to be paid by the member, the increase will be effective sixty (60) days after the first (1st) of the month after the effective date of the increase.

b) **Decreases**

A decrease in the housing charge as a result of a decrease in income will be effective the first (1st) day of the month following notification of the change, and the receipt of new income verification to the Co-op by the member providing their Disposable Income Index is the lowest on the internal waiting list and subsidy funds are available.

Internal Waiting List for Subsidy

1. An internal waiting list for subsidies will be maintained. The following policies will govern the administrator of the list:
 - a) The internal list will have priority over the external waiting list; and
 - b) in any given month, subsidy will be granted on the basis of the Disposable Income Index (as defined above) with the lowest index number receiving subsidy first; and
 - c) income, family size and household's current housing charge for the occupied unit will be the only factors used in determining need; and
 - d) when an applicant who otherwise meets the criteria needs more subsidy than is available, a reduced subsidy may be offered.
 - e) members must reside in the co-op for a minimum of five years before they can apply for the internal wait list.

External Waiting List

1. When subsidy funds become available which are not required internally, the following procedures will apply:
 - a) When subsidy funds (and a vacant unit) become available, the Manager or Bookkeeper will review the first name on the external waiting list for the unit size available; and
 - b) if the subsidy available is less than is required, the Manager or Bookkeeper will determine the feasibility of offering the subsidy; and
 - c) if this is not feasible, the non-subsidy external waiting list will be consulted in order to fill the vacancy unless the number of subsidized units is below 15% of the total number of units; and
 - d) if the vacancy can not be filled from the first name on the non-subsidy external waiting list, then the Manager or Bookkeeper will alternate between the two external waiting lists (subsidy and non subsidy) until a member is found to inhabit the unit.

2. **Amount of Subsidy**

The amount of subsidy will vary according to income, family size, and a percentage determined by the Board of Directors. The amount of Subsidy for members whose income is less than \$508.00 per month shall be determined according to Schedule 2 (attached). The amount of subsidy will be based on the current Housing Charge not including parking or cable.

Members who are over-housed who apply for short term emergency subsidy, will only be allocated subsidy funds up to the size of unit they qualify for. i.e. a couple may only receive assistance to the housing charge of a one bedroom unit.

Emergency subsidy will be allocated on a case by case basis and only if funds are available.

3. **Choice of Layout**

Subsidy applicants shall be offered the housing unit with the lower housing charge if more than one (1) unit is available at that time.

4. **False Declaration of Income**

A household which has declared a false income will be required to reimburse the Co-op for any subsidy funds unjustifiably obtained. Failure to make such restitution will result in the initiation of eviction proceedings.

5. **Households Being Evicted**

Any subsidy allocated to a household which is being evicted will terminate on the date on which their unit is required to be vacated, as determined by the Board of Directors.

6. **Occupancy Agreement**

In all cases, the full amount of the housing charge, and not the subsidized rate, will be entered into the member's occupancy agreement.

7. **Persons-per-Bedroom Restrictions**

The following restrictions will apply to allocation of units to subsidy recipients:

(For the purposes of the persons-per-bedroom calculation a married or common law couple or same sex couple will be considered as one person)

One Bedroom

1-2 occupants

Qualifies

1 single

Single parent with one child under 2 years

Couple

Does Not Qualify

Couple with children

Single parent with one child over 2

Single parent with children

Two Bedroom

2-5 occupants

Qualifies

Single parent

Couple with 1-3 children

2 singles

Does Not Qualify

Couple with 1-4 children

Families of 6 or more

Three Bedroom

3-7 occupants

Qualifies

Single parent or couple with 3-5 children

Couple or single with 2 Children of the opposite sex

Single parent with 2 children one or both of whom is over 12

Couple with 2 children one or both of whom is over 12

Three generations of families

3 singles

Does not Qualify

Single parent with 2 children of the same sex under 12

Couple with 2 children of the same sex under 12

Couple with 1 child

If the family size changes and the person-per-bedroom criterion is no longer being met:

- a) If they are willing to move to an appropriate size of unit but none is available, they will continue to be subsidized for up to one year or until the first appropriate unit is available. If they do not move within the specified period, their subsidy will decrease to the level for which they qualify.
- b) If they wish to remain in their unit they may do so but will be subsidized only to the level of the appropriate unit size.

8. Parking

Parking is not included in the monthly housing charge. Members receiving subsidy may rent parking spots in accordance with the parking policy.

Revised and approved by the Board of Directors: March 24, 2010

Approved by the General Membership: April 14, 2010

Signature: _____ Date: _____