



## City Guideline – 2021-1: Factors to be used in 2021 Fiscal Year to Calculate Subsidies - Market & RGI

Date issued	Effective date
January 18, 2021	January 1, 2021

### Applicability to Social Housing programs

The City Guideline is applicable to the following program:

- Housing Services Act, Part VII Housing Projects, Market and Rent-Geared-to-Income, Section 78 Housing Providers (formerly 110)

### About City Guidelines

**City Guidelines are issued to communicate changes to the City of Toronto's mandatory policies and procedures that housing providers must follow.**

City Guidelines are issued when a Local Rule is established by the City of Toronto, the Rent-Geared-to-Income (RGI) Administration Manual is updated, or other relevant legislative changes or operational requirements must be communicated to housing providers. City Guidelines which impact RGI are incorporated into the RGI Administration Manual.

The City of Toronto is the Service Manager, as defined by the *Housing Services Act, 2011* (HSA). The HSA and its regulations set out the rules that housing providers must follow in administering the RGI program along with providing authority for Service Managers to establish Local Rules for certain circumstances.

The City of Toronto has established the RGI Administration Manual as the authoritative document to be used by housing providers for guidance on how to administer the RGI program. The RGI Administration Manual incorporates the City's interpretation of how the HSA and regulations and Local Rules are to be administered.

Please see [www.toronto.ca/socialhousing](http://www.toronto.ca/socialhousing) for more information.

### Background

The [Ministry of Municipal Affairs and Housing](#) provides indices for costs and revenues used to calculate subsidies under the *Housing Services Act, 2011* (HSA), on an annual basis.

The *Helping Tenants and Small Businesses Act, 2020*, revises the 2021 rent increase guideline to make it zero percent. This City Guideline updates the Toronto Market Rent Indices (Table 3) to reflect this change and is a replacement of City Guideline 2020-1.

## What you should know about Cost Factors

Cost factors are inflationary factors used to calculate:

- the indexed Benchmark operating costs within the operating subsidy calculation; and
- capital replacement reserve fund allocations.

Housing providers must use the following cost factors when calculating their subsidies for fiscal years beginning in 2021.

**Table 1 - 2021 Indices for Benchmark Costs for Mixed Non-Profit Projects**

Item	Index Description	2021 Index
Administration and maintenance	Ontario CPI - All items	-0.43%
Insurance	Ontario CPI - Homeowner's home and mortgage insurance sub-index	5.92%
Bad debt	Market Rent Index	See MRI Table 3 below
Electricity	Ontario CPI - Electricity sub-index	-13.07%
Water	Ontario CPI - Water sub-index	3.01%
Natural gas	Ontario CPI - Natural gas sub-index	-5.57%
Oil and other fuel	Ontario CPI - Oil and other fuel sub-index	-26.83%
Capital reserves	Ontario CPI - All items	-0.43%

**Table 2 - 2021 Indices for Benchmark Revenues for Mixed Non-Profit Projects**

Item	Index Description	2021 Index
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Indexed market rent	Market Rent index	See MRI Table 3 below
Vacancy loss	Market Rent Index	See MRI Table 3 below
Non-rental revenue	Factor of 1	Factor of 1

## What you should know about Market Rent Indices

- There are different Market Rent Indices (MRI) for each of the rent districts in Toronto.
- Apartments and townhouses each have separate MRI tables.
- Housing providers are required to use the correct MRI to calculate their subsidy.
- There are no MRI for stacked row housing, for any units considered to be stacked row housing, providers should use the apartment MRI.

**Table 3 - 2021 Toronto Market Rent Indices (MRI)**

Toronto District	Rent District Codes	Apartment Average Rent	(Row)Townhouse Average Rent
		2021 Market Rent Index	2021 Market Rent Index
Toronto Zone 1 - Former City of Toronto (Central)	M1A1	0%	0 %
Toronto Zone 2 - Former City of Toronto (East)	M1A2	-4.3 %	0 %
Toronto Zone 3 - Former City of Toronto (North)	M1A3	0 %	0 %
Toronto Zone 4 - Former City of Toronto (West)	M1A4	0 %	0 %
Toronto Zone 5 - Etobicoke (South)	M1C1	0 %	0 %

Toronto Zone 6 - Etobicoke (Central)	M1C2	0 %	-0.5 %
Toronto Zone 7 - Etobicoke (North)	M1C3	0 %	0 %
Toronto Zone 8 - York	M1F	0 %	0 %
Toronto Zone 9 - East York	M1B	0 %	0 %
Toronto Zone 10 - Scarborough (Central)	M1E1	0 %	0 %
Toronto Zone 11 - Scarborough (North)	M1E2	0 %	0 %
Toronto Zone 12 - Scarborough (East)	M1E3	0 %	0 %
Toronto Zone 13 - North York (Southeast)	M1D1	0 %	0 %
Toronto Zone 14 - North York (Northeast)	M1D2	0 %	-2.3 %
Toronto Zone 15 - North York (Southwest)	M1D3	0 %	0 %
Toronto Zone 16 - North York (North Central)	M1D5	0 %	0 %
Toronto Zone 17 - North York (Northwest)	M1D4	0 %	0 %

## Actions required

All Market and Rent-Geared-to-Income, Section 78 Housing Providers must use the indices indicated in Tables 1, 2 and 3 to calculate the indicated cost items and

revenues, as well as their operating and RGI subsidies for their fiscal year beginning in 2021.

## Questions

If you have any questions, please contact your Housing Consultant or HSS:

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